CONVERSION **MACHINE**

MODULE 1   Profit Optimization

VIDEO 5   Transcript

Business Objectives

Business Objectives

Hey everyone and welcome

In this lesson you are going to learn about the importance of business objectives and how they fit into your conversion optimization process.

Just like any marketing initiative, conversion optimization needs to be measured so you can understand if your efforts have been successful or not.

You need to know if you are getting a return on your marketing investment.

And that is what marketing is all about, it's not an expense, but a way to invest in and grow your business.

Most businesses will already have objectives. But if you don't or if you are not goal setting now is the time to start.

In conversion optimization you are trying to increase profits.

So in order to understand how much the conversion optimization process grows or improves your business you need to understand what your business looks like now.

You should be constantly setting, measuring and iterating on your business:

• Objectives
• Goals
• KPI's
• Targets

For example:

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Objectives

A business objective for an ecommerce store that sells swimsuits would:

"Increase our sales by receiving online orders for our bikinis"

Goals

Goals are taken from your business objectives.

A goal for our swimsuit business could be:

"Increase the number of swimsuits that are sold"

You learn how to set these up in Google Analytics in the next lesson.

KPIs

The difference between some random data or metric and a KPI is when is it measuring something connected to your business objectives.

For example for the objective:

"Increase our sales by receiving online orders for our bikinis"

Our KPI would be the number of bikinis sold in a given time frame. Like the number of bikinis sold per month.

Targets

For your KPIs to be actionable they need to have targets, targets can be taken from your historic data and defined for each KPI.

For example:

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If we sold 200 bikinis last month, a good target for the next month would be a 5% increase.

Therefore our target would be to sell 210 bikinis in the next month.

Once you know your business objectives, goals, KPI's and targets for the next 3 months you can break them up into smaller more manageable numbers using quant based marketing.

Quant Based Marketing

Quant Based Marketing is when you work backwards from your big targets to smaller trackable targets.

You can use quant based marketing to work backwards from your big targets to daily, weekly and monthly targets to track.

Let's look at some examples for different types of websites.

Real world ecommerce example

This data is from an ecommerce company that sells swimsuits.

In their last quarter data sample (2nd Feb 2015 - 27th April 2015) they grossed $140.8k in sales.

Their conversion rate from visitor to sale was 1.24%.

From their traffic of 96,225 visits they had 1100 sales.

Their average basket or order value was $128

Their objective is to "Sell more swimsuits through their online shop".

Their goal is to "Increase the number of completed swimsuits sold".

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The KPI they are measuring is "Number of swimsuit sales per month".

Their target is to increase their conversion rate 15% over the next quarter.

Run through these figures again in the ecommerce goal tracking spreadsheet.

I've inputted the data for their shop for the last three months.

The blue boxes are where you fill in data, the grey boxes are worked out automatically.

The last three months data is added up into a quarterly average, the spreadsheet then works out your next months target based on your conversion rate increase percentage.

Below your monthly, weekly and daily targets are updated so you can track KPI's closely.

Their quarterly average data shows 409 sales per month, therefore with a 5% increase in the first month their target is roughly 430 sales.

430 sales * $117.81 average basket or order value = $50,675 (increase from $48,231)

Now you know their quarterly targets you can break this down into monthly, weekly and daily targets to track and KPIs to measure as you go through the quarter.

Quarterly Goal: 1290 Sales / $152,027.91 Gross Sales
Monthly Goal: 430 Sales / $50,675.97 Gross Sales
Weekly Goal: 107 Sales / $12,668.99 Gross Sales
Daily Goal: 14 Sales / $1,689.19 Gross Sales

Now you can see they only need to increase their daily sales to 14 sales a day.

They can then track their daily, weekly and monthly targets and see where they stand.

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Now it's your turn.

Below the video you will find the link to the worksheet download. First you need to choose which worksheet is relevant to your business.

They are categorized for a number of different businesses or conversion goals.

The first is for ecommerce, so if you are running an online store and are looking to grow through this training program; this is the one for you.

The second is for a blog, if you are running a blog and looking to increase the amount of leads your collecting this one is for you.

The third is for software companies or more specifically software as a service. If you are running a saas company and looking to grow the number of sign ups or trial to paid conversions then this one is for you.

Finally the fourth one is for your service business, if you're a consultant, creative agency or simply looking to get more people contacting you about your service through your website this one is for you.

Now you may download a couple of these worksheets, for instance if you have an online shop and a blog or a saas product and a blog, you can fill in two of the worksheets.

Remember CRO is company wide optimization, we're not just looking at forms, so consider your entire sales funnel and different sales channels when completing this training program.

To complete these worksheets you are going to have to decide on your business objectives.

The spreadsheets have been created with a goal of 5% monthly growth as a placeholder.

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That means 5% monthly increase in your current conversion rate taking the previous three months data averages as benchmarks.

However, you can edit the 'Conversion Rate Increase' field based on your own business objective and the spreadsheet will update itself.

I don't have any data

Don't worry, in the next lesson we'll set up your google analytics account and start tracking your business objectives and specifically goals.

Email me your goals

Now send me the link to your Google Doc or email me your spreadsheet (giles@acquireconvert.com), accountability is key, so I'll be checking in on how every member of the course progresses with their goals and helping out wherever I can.

You can also post them in the Facebook group for shared accountability with the community.