

VALUE METRICS FOR NEW STORES

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HELLO!

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Let's start with baseball

And a very important question

Why isn't Larry Bird (yes, the basketball player) recognized as the all-time career batting average leader in collegiate baseball?

(Instead, Rickie Weeks has the title)

LARRY'S BASEBALL CAREER WAS SHORT-LIVED

- Larry Bird had a total of 2 career at bats in college
- He had 1 hit (an RBI single!)
- Rickie Weeks had over 500 career at bats

Statistical significance matters - you need enough data points for any statistic to be relevant / accurate

CONVERSION RATE

is your site's batting average -- you need enough visitors & orders for it to be significant

If you have less than 1,000 transactions per month -- the transaction could be either purchases or whatever you want to test, like email sign ups...it's probably too early for you to [split] test.

"

Peep Laja - Source: http://swwp.co/peepecommfuel

WHAT METRICS ARE IMPORTANT NOW?





Average Order Value

Average revenue generated by each order

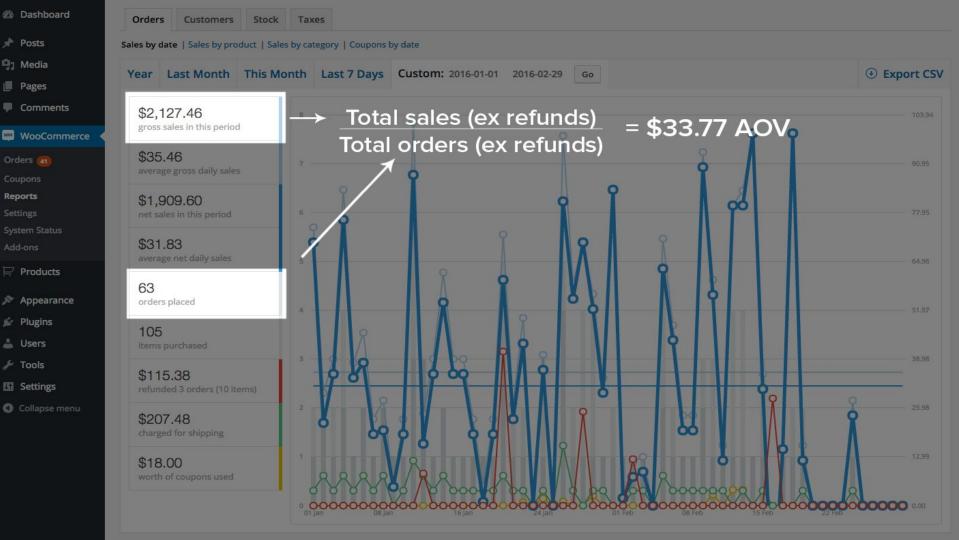


Total revenue ÷Total orders

FOUR MAIN WAYS TO INCREASE REVENUE

- Get more total customers (more traffic)
- Get existing customers to buy again (more repeat purchases)
- Convert existing visitors better (increase conversion rate)
- Make more money on the orders you get (increase AOV)

The last one is the only optimization that focuses on total revenue without requiring more total orders.



GOOGLE ANALYTICS FOR **WOOCOMMERCE** (free) (skyver.ge/gafree) or **WOOCOMMERCE GOOGLE ANALYTICS PRO (\$29)** (skyver.ge/wcgapro)

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Search reports & help	Ecommerce Overview	v			Jan 1, 2	016 - Jan 31, 2016 👻		
Dashboards	Email Export 👻 Add to Dashboa	rd Shortc	ut			\$		
Dashboards	Overview							
Shortcuts	Revenue 👻 VS. Ecommerce Co	version Rate	• 0			Hourly Day Week Month		
Intelligence Events	Revenue Ecommerce CA\$1,000.00	Conversion	Rate			3,000.00%		
Real-Time						Δ		
Audience	CA\$500.00					1,500.00%		
Acquisition	Jan 5		Jan 10	Jan 15	Jan 20	Jan 25		
	Revenue & Conversion Rate			Transactions	_			
Behavior	Revenue	Ecomme	ce Conversion Rate	Transactions		rage Order Value		
Conversions	CA\$1,085.70	8.63%	/o/	29		A\$37.44		
▶ Goals	Marketing							
- Ecommerce	Campaigns	Internal	Promotion	Order Coupon Code	Aff	Affiliation		
Overview	0 Transactions	0 Impressions		1 Transactions	0	0 Transactions		
Shopping Analysis	CA\$0.00 Revenue			CA\$13.72 Revenue	CA	A\$0.00 Revenue		
Product Performance Sales Performance	CA\$0.00 Average Order Va	lue		CA\$13.72 Average Order Value	CA	A\$0.00 Average Order Value		
Product List Perform								
	Top Sellers		Product		Product Revenue	% Product Revenue		
Marketing	Product		1. MPC: Weight		CA\$340.00	41.62%		
Multi-Channel Funnels	Product Category (Enhanced Ecommerce)		2. Simple Product wi	th Weight 2	CA\$300.00 36.72% CA\$75.00 9.18% CA\$24.00 2.94%			
Attribution			3. Ninja Silhouette					
	Product Brand		4. Flying Ninja					

WHY DO WE NEED IT? HOW TO OPTIMIZE?

Helps drive marketing decisions:
Set free shipping thresholds
Offer discounts above AOV

Increasing AOV series: swwp.co/y



Average Order Profit

Average profit (revenue minus costs) generated by each order



(Total revenue - Order costs) Total orders

HOW MUCH MONEY DOES EACH ORDER GIVE ME?

AOV can help drive more revenue, but Average Order Profit (AOP) lets you more intelligently allocate funds to operational costs, customer acquisition, etc.

Dashboard Profit Customers Stock Taxes Orders A Posts Profit by date | Profit by product | Profit by category 9 Media Year Last Month This Month Last 7 Days Custom: 2016-01-01 2016-02-29 Go Pages Comments \$1,917.58 WooCommerce \$1,114.78 Orders (40) COST Reports \$802.80 OF total profit in this period GOODS 63 Products (\$79) \$12.74 Appearance average profit per order in this (skyver. No. Plugins period 👗 Users ge/wccogs) 🔑 Tools Settings Collapse menu

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HOW CAN WE IMPROVE IT?

As you grow, you can reduce item and shipping costs:

- Optimize supply chain -- buy in bulk at lower prices
- Negotiate shipping rates with providers



2 Customer Acquisition Cost Total expenditure for every new customer acquired



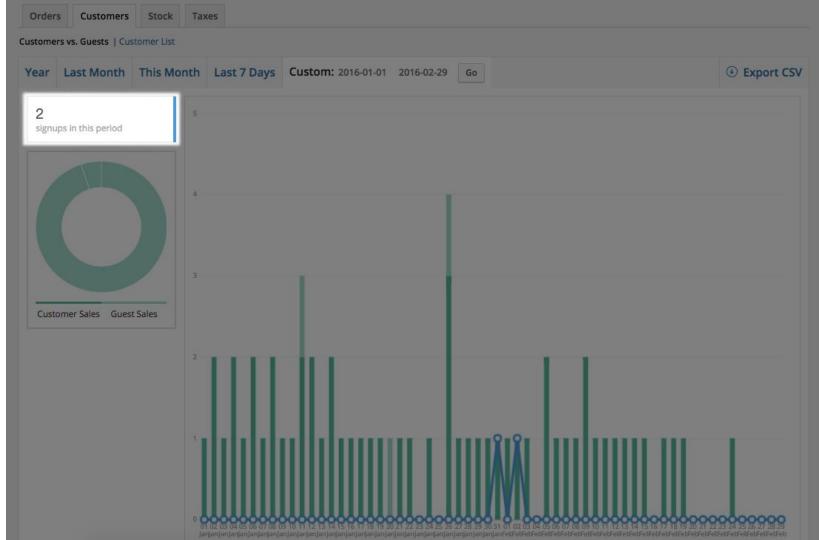
Total marketing spend New Customers

WOOCOMMERCE WON'T TRACK THIS

Knowing your total marketing spend will require you to track this outside of WooCommerce (ie your accounting system or a spreadsheet).

What about getting "new" customers? How will you track that?

You can get a count of customer signups, not new customers



WHAT ARE YOUR OPTIONS?

Option 1

Try to use your "New Orders" count as an approximation of new customers. You may not have a lot of repeat purchases when you start, so this may work.

Option 2

Install a free plugin, built by SkyVerge, to help out with this talk (a) (skyver.ge/54) You'll get a new vs returning customer count for a date range to see which customers made their first purchase in this time period.

Ord	ers Customers	Stock 1	Taxes									
Custon	Customers vs. Guests Customer List New vs. Returning											
Year	Last Month	This Mont	h Last 7 Days	Custom: yyyy-mm-dc yyyy-mm-dc	Go		Export CS					
12	2		9									
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d	Orders	Customers	Stock	Taxe	es						
	Customers vs. Guests Customer List New vs. Returning										
	Year I	ast Month	This Mo	onth	Last 7 Days	Custom: yyyy-m	m-dc yyyy-mm-dc [Go			④ Export CS
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WHAT'S YOUR PREFERENCE FOR RISK?

This is where eCommerce entrepreneurs may diverge -do you burn more than Average Order Profit (AOP) to grow and acquire new customers? Do you stay within AOP for customer acquisition?

WHERE DO I BEGIN?

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Average Order Value

Track your AOV for a given time period, put systems in place to increase it.

Average Order Profit Track AOP to inform marketing &

Track AOP to inform marketing & growth strategies

Constantly Evaluate

This is an ongoing process as you grow, but these metrics are always important to your success.

Customer Acquisition Cost

Use AOP to inform customer acquisition

PEQUISITION OF

ANALYSIS PARALYSIS is real.

You don't have to track every metric at once. Improve a few metrics, then move onto others.

THANKS!

Where am I?

Writing at skyverge.com for WooCommerce devs & enthusiasts Writing at sellwithwp.com for eCommerce entrepreneurs

Have questions?

Or perhaps some feedback? Please get in touch! @Beka_Rice / beka@skyverge.com Slides: skyver.ge/wooconf16-slides

CREDITS & RESOURCES

Special thanks to the people who made and released this awesome resource for free:

• Presentation template by <u>SlidesCarnival</u>

Resources:

- 1. Peep Laja quote: <u>swwp.</u> <u>co/peepecommfuel</u>
- 2. Google Analytics (free): <u>skyver.ge/gafree</u>
- 3. Google Analytics Pro: <u>skyver.ge/wcgapro</u>
- 4. Getting Your AOV: <u>swwp.co/6E</u>

- 5. Increasing your AOV: <u>swwp.co/y</u>
- 6. Cost of Goods: <u>skyver.ge/wccogs</u>
- 7. New Customer Report: <u>skyver.ge/54</u>