

VALUE METRICS FOR NEW STORES



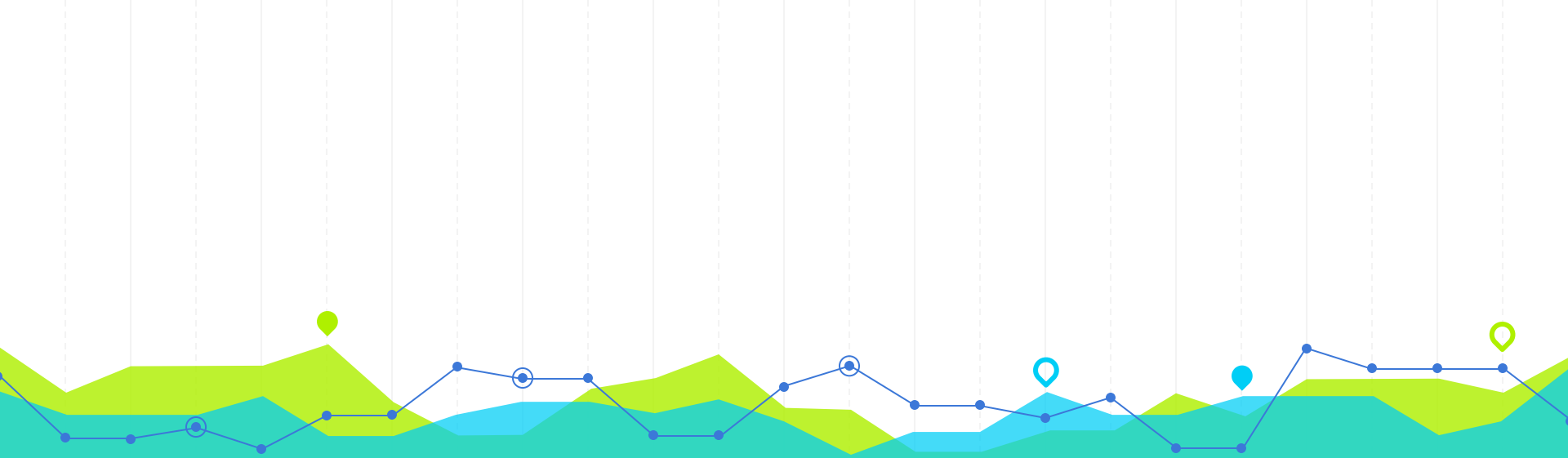
HELLO!

I'm Beka Rice.

Operations Manager at SkyVerge

I also write at [SellwithWP.com](https://sellwithwp.com)

@Beka_Rice

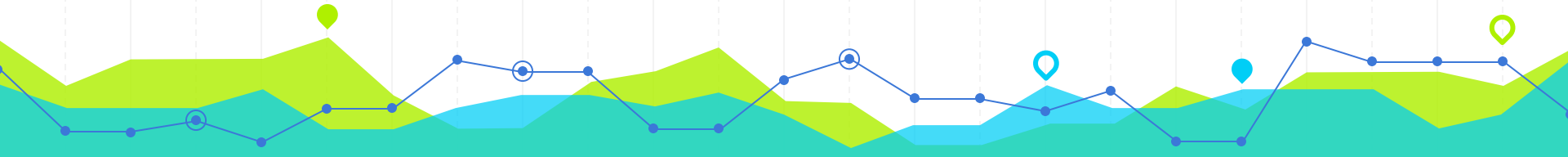


Let's start with baseball

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

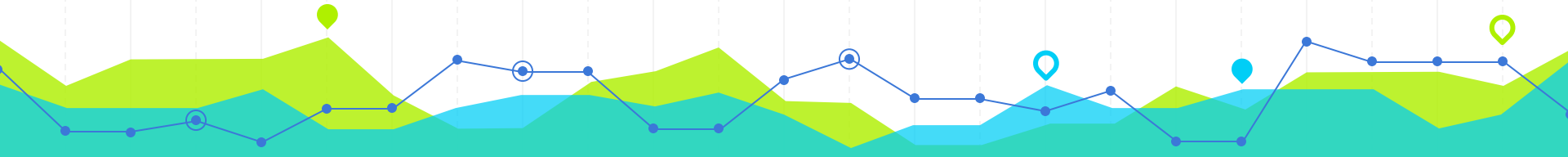
is your site's batting average -- you need enough visitors & orders for it to be significant



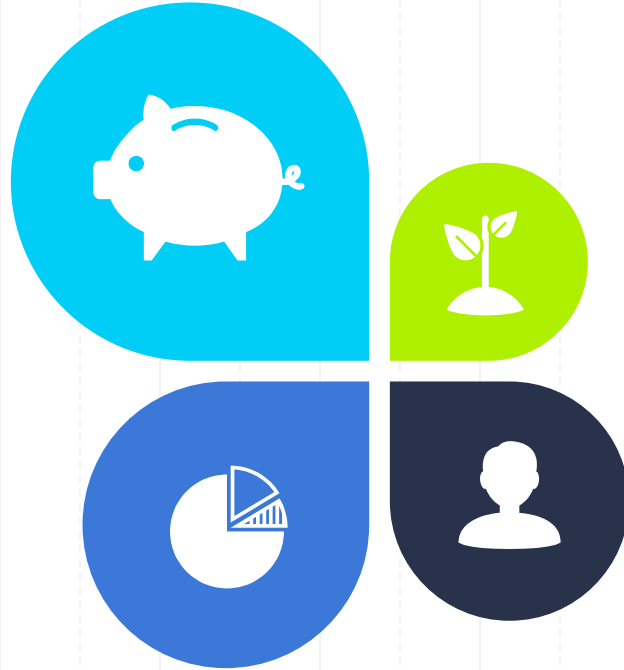


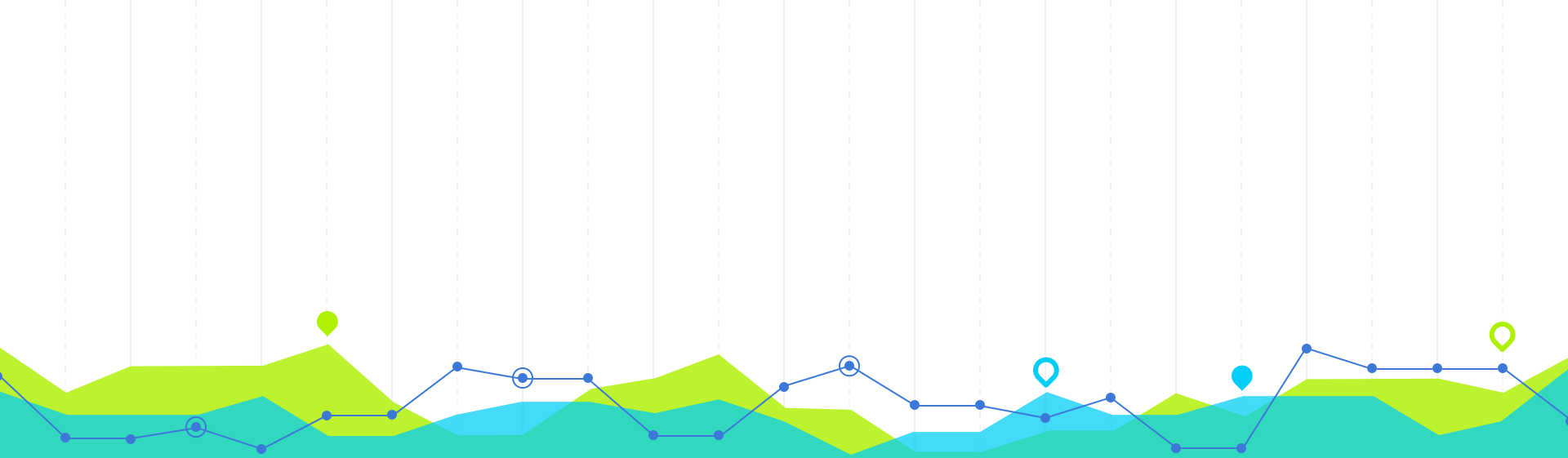
*If you have **less than 1,000 transactions per month** -- the transaction could be either purchases or whatever you want to test, like email sign ups...it's probably too early for you to [split] test.*

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



WHAT METRICS ARE IMPORTANT NOW?





Average Order Value

Average revenue generated by each order

1



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.



\$2,127.46
gross sales in this period

\$35.46
average gross daily sales

\$1,909.60
net sales in this period

\$31.83
average net daily sales

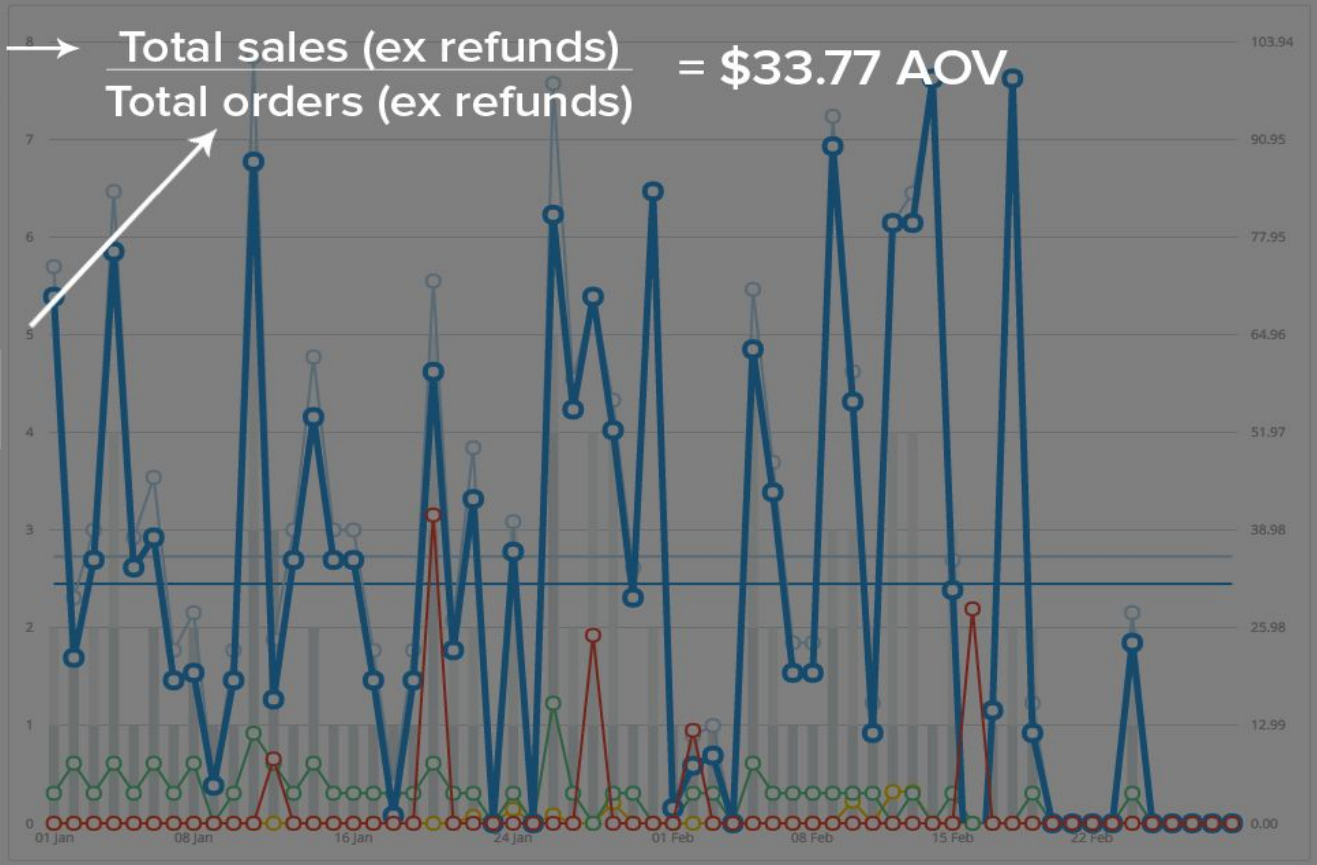
63
orders placed

105
items purchased

\$115.38
refunded 3 orders (10 items)

\$207.48
charged for shipping

\$18.00
worth of coupons used



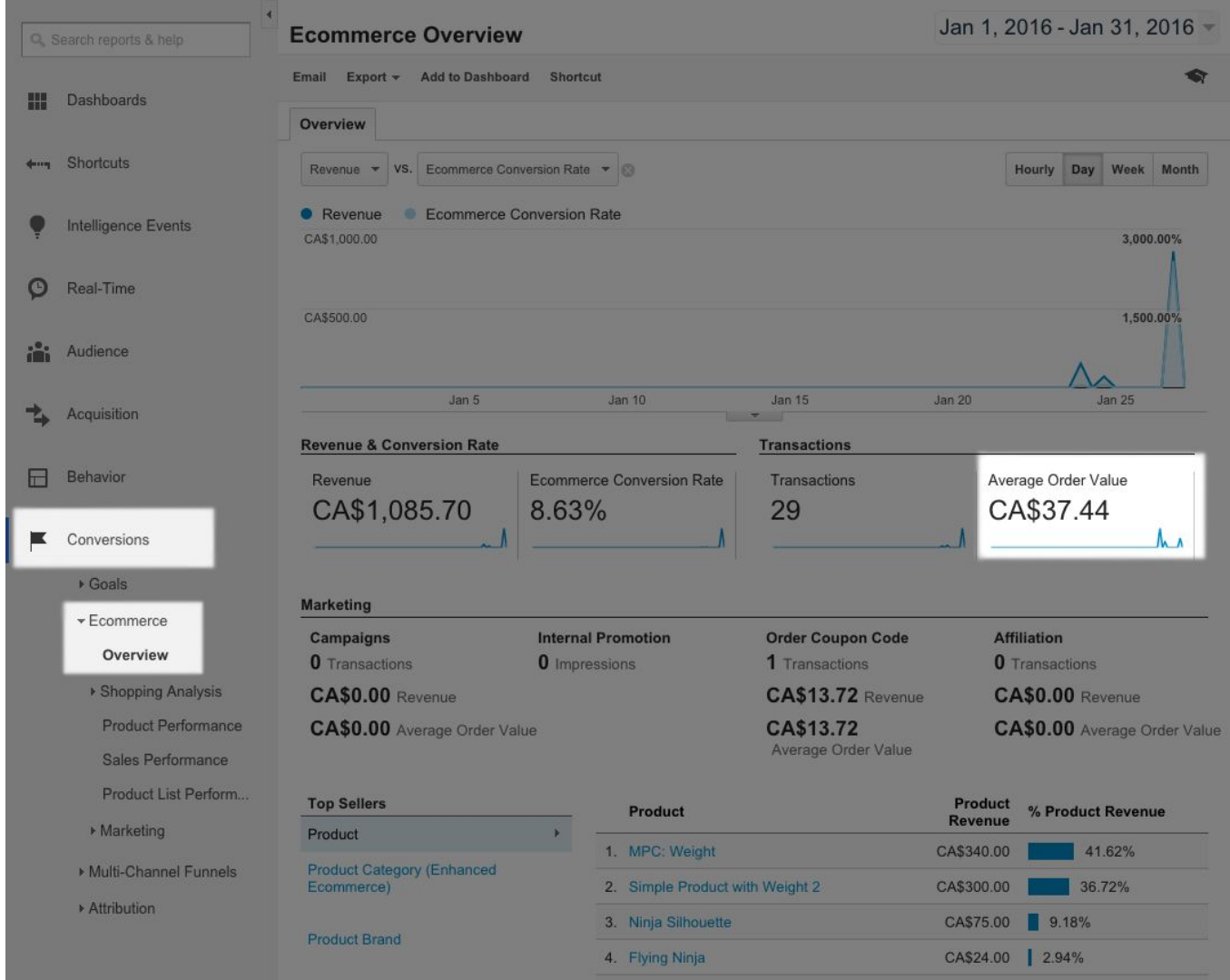
GOOGLE ANALYTICS FOR WOOCOMMERCE (free)

(skyver.ge/gafree)

or

WOOCOMMERCE GOOGLE ANALYTICS PRO (\$29)

(skyver.ge/wcgapro)

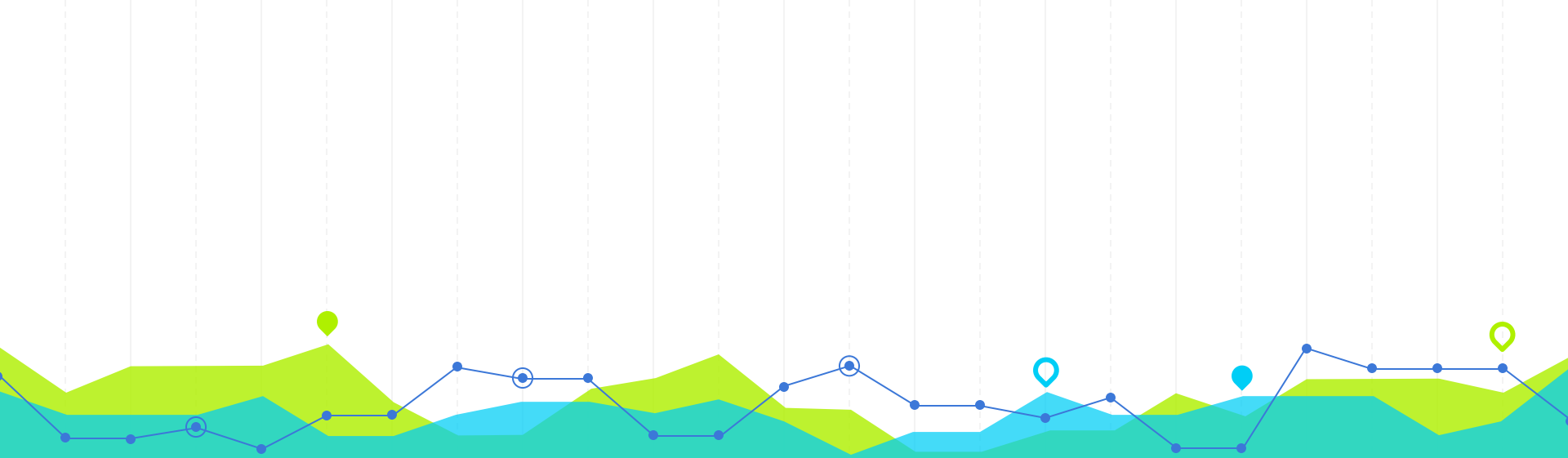


WHY DO WE NEED IT? HOW TO OPTIMIZE?

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

Increasing AOV series: swwp.co/y

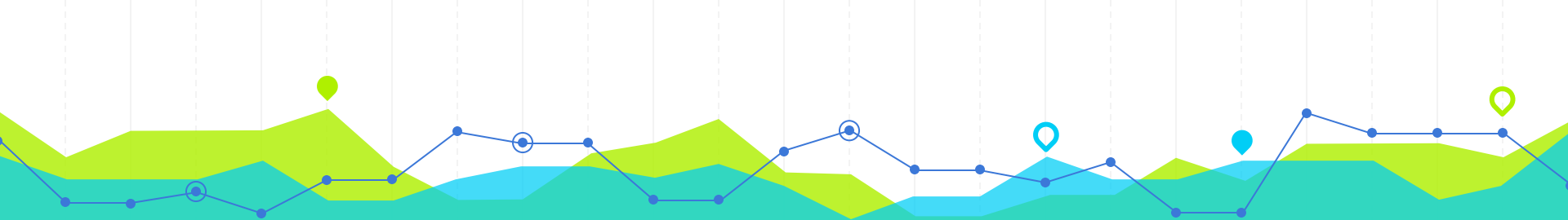




Average Order Profit

Average profit (revenue minus costs) generated by each order

2



(Total revenue - Order costs)
÷ Total orders

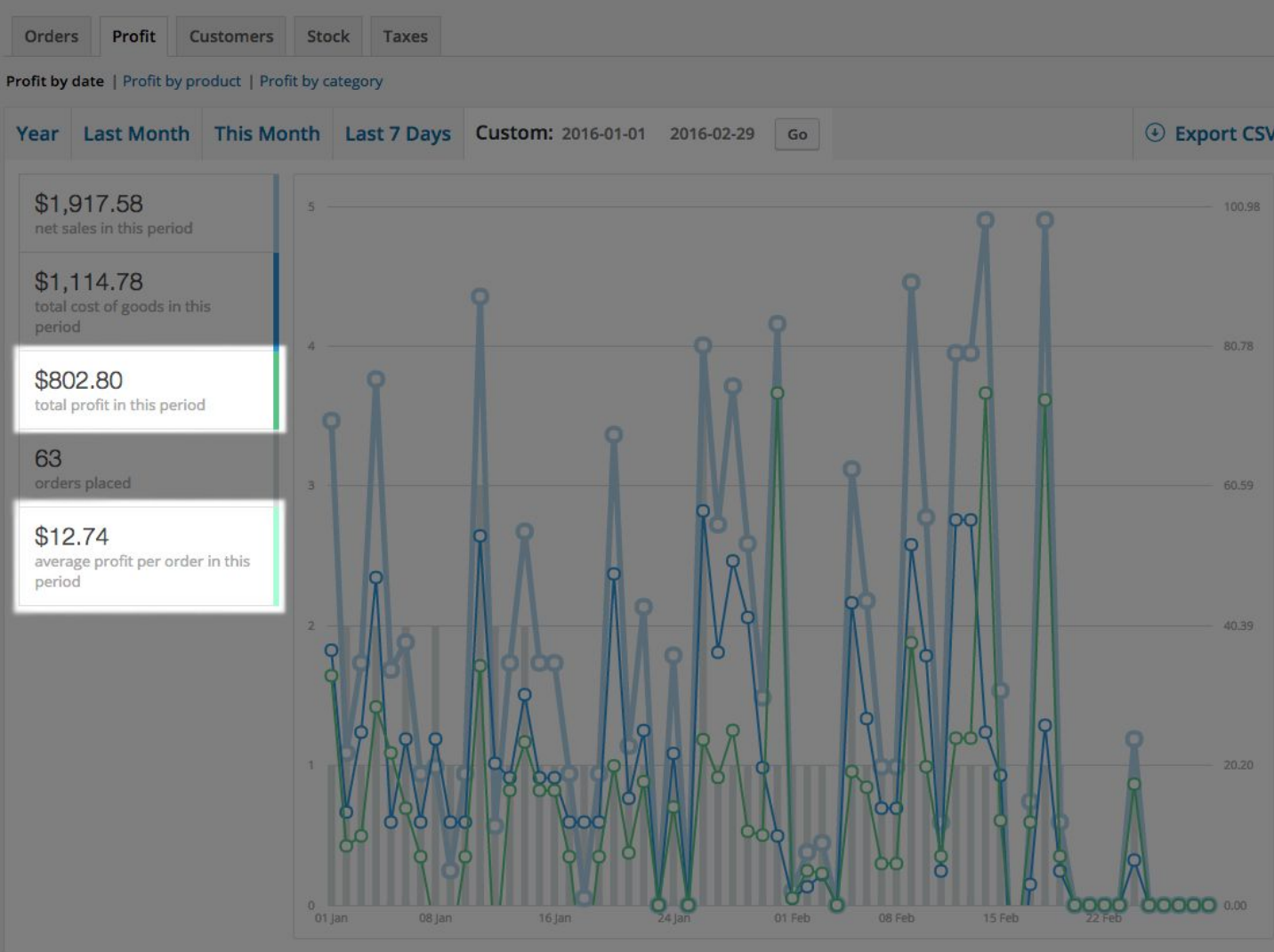
HOW MUCH MONEY DOES EACH ORDER GIVE ME?

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



**COST
OF
GOODS
(\$79)**
(skyver.
ge/wccogs)

- Dashboard
- Posts
- Media
- Pages
- Comments
- WooCommerce
- Orders 40
- Coupons
- Reports
- Settings
- System Status
- Add-ons
- Products
- Appearance
- Plugins
- Users
- Tools
- Settings
- Collapse menu

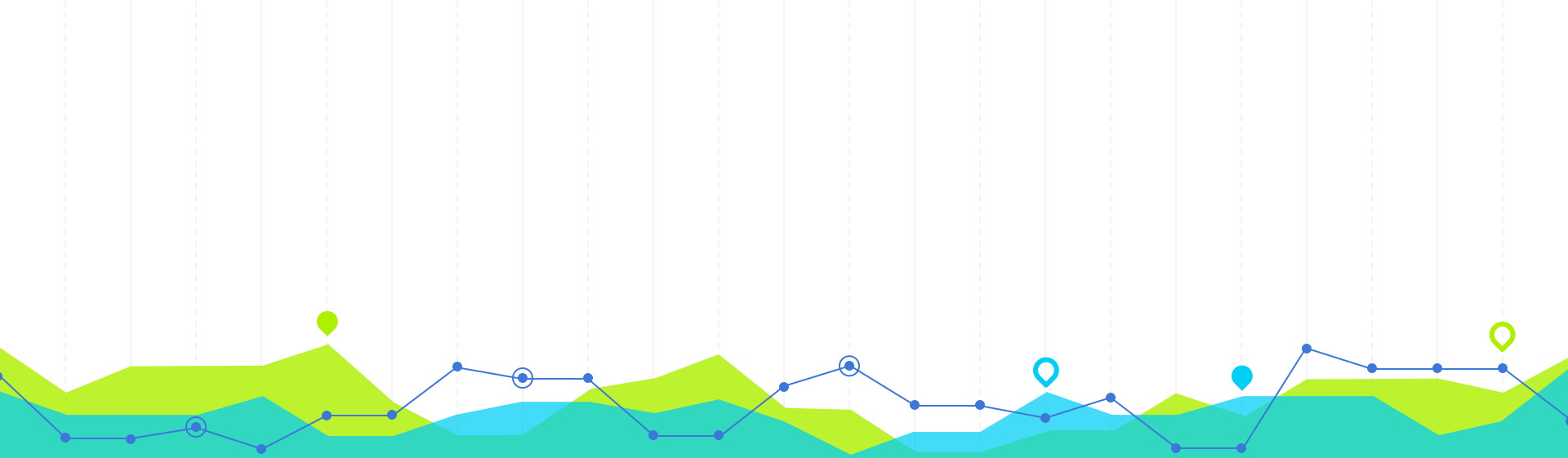


HOW CAN WE IMPROVE IT?

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

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

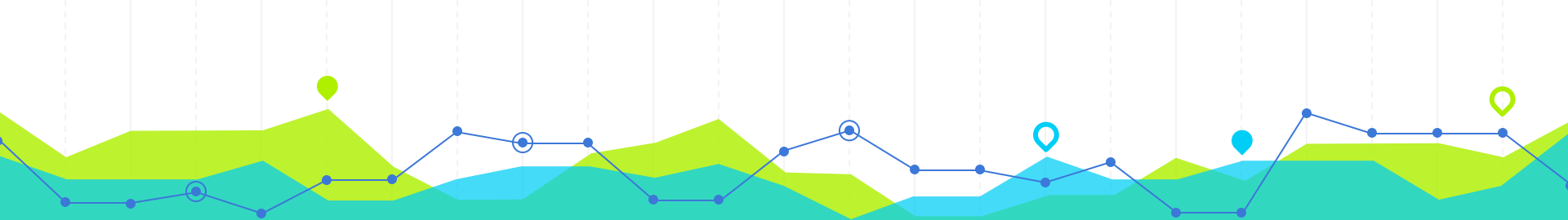




Customer Acquisition Cost

Total expenditure for every new customer acquired

3

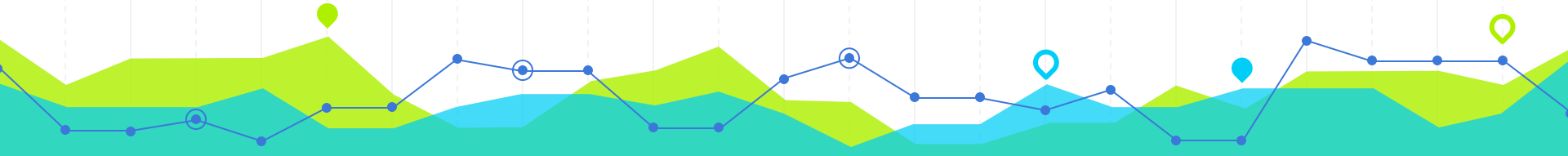


Total marketing spend
÷ New Customers

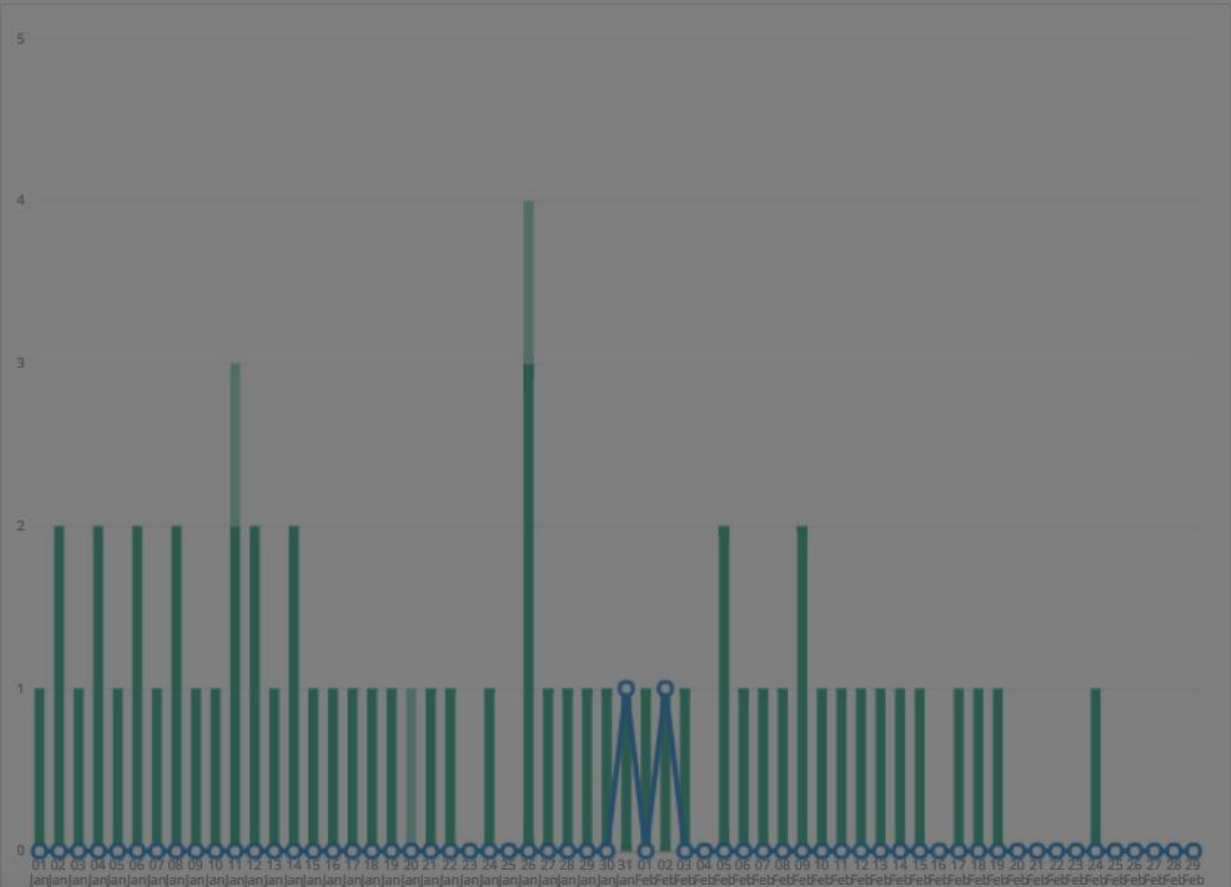
WOOCOMMERCE WON'T TRACK THIS

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?



2
signups in this period



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 😊 (skyverge.com/54)

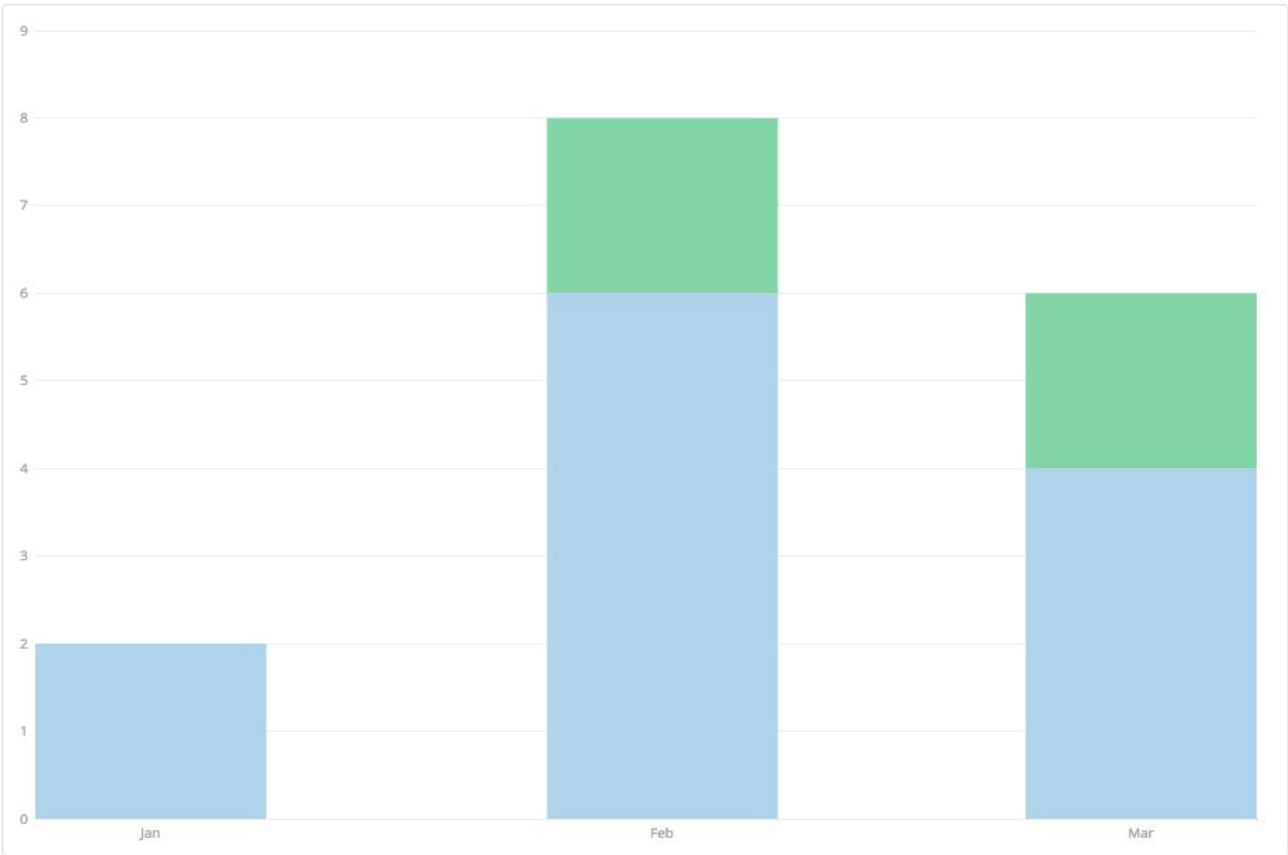
You'll get a new vs returning customer count for a date range to see which customers made their first purchase in this time period.



- Dashboard
- Posts
- Media
- Pages
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- Orders 51
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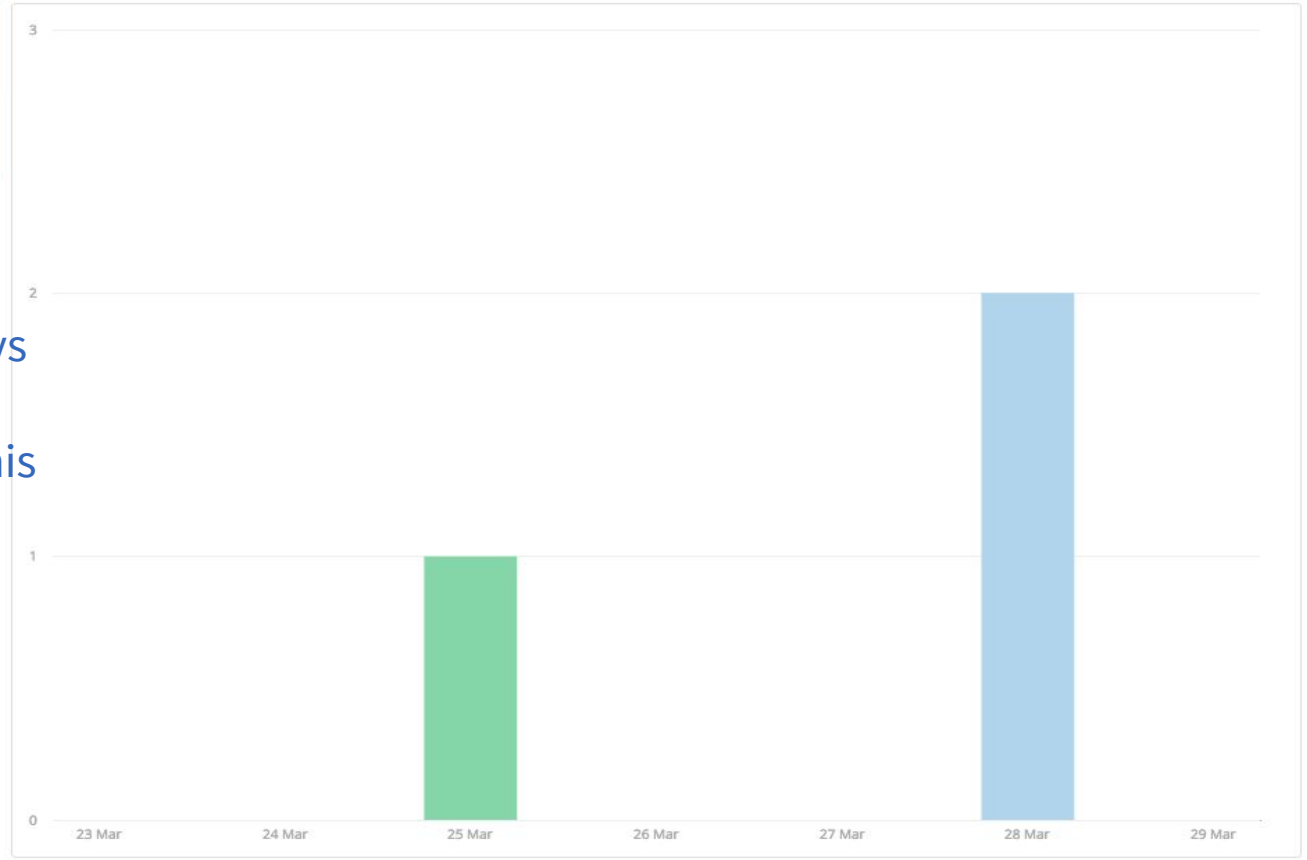
12
new customers

3
returning customers



2	new customers
1	returning customers

New customer count will always count first-time purchasers in this time span.



WHAT'S YOUR PREFERENCE FOR RISK?

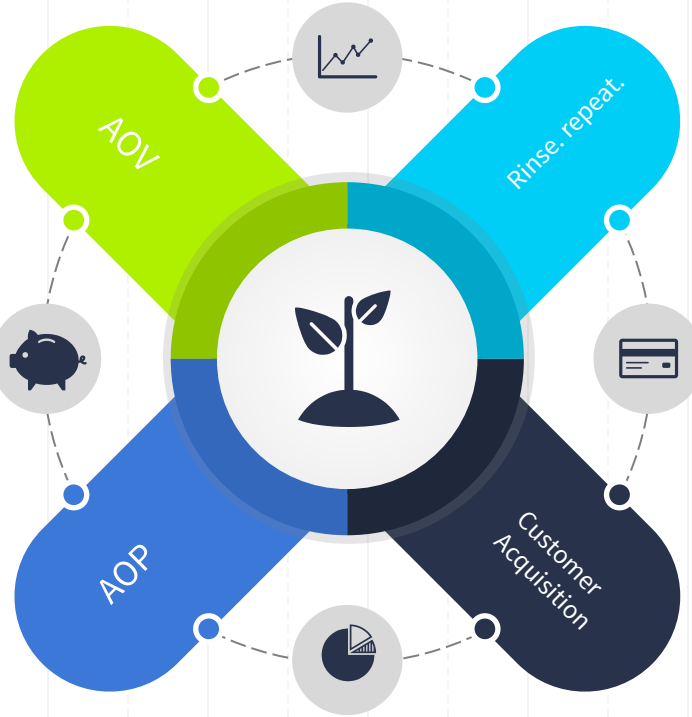
This is where eCommerce entrepreneurs may diverge -- do you burn more than Average Order Profit (AOP) to grow and acquire new customers? Do you stay within AOP for customer acquisition?



WHERE DO I BEGIN?

Average Order Value

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



Constantly Evaluate

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

Average Order Profit

Track AOP to inform marketing & growth strategies

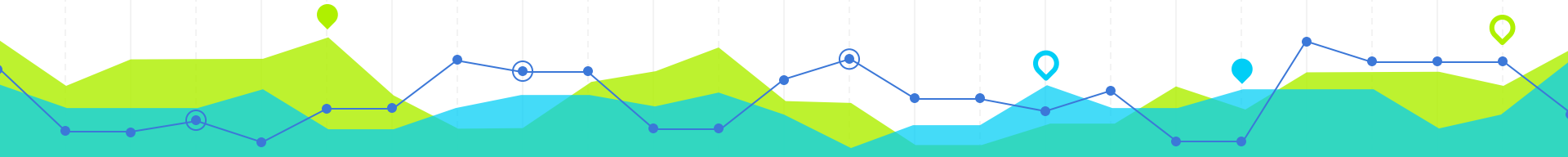
Customer Acquisition Cost

Use AOP to inform customer acquisition

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](https://twitter.com/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 [SlidesCarnival](#)

Resources:

1. Peep Laja quote: swwp.co/peepecommfuel
2. Google Analytics (free): skyver.ge/gafree
3. Google Analytics Pro: skyver.ge/wcgapro
4. Getting Your AOV: swwp.co/6E
5. Increasing your AOV: swwp.co/y
6. Cost of Goods: skyver.ge/wccogs
7. New Customer Report: skyver.ge/54