" Boosting the Impact of Your Brand"

How To Calculate Your Marketing & Advertising Results:

- Average Order Value (AOV) – Total Revenue / Number of Orders = $ AOV (* Works well with Same Price Items)
  EX: $6000 month revenue / 12 Orders for the month = $500 AOV

- Project Rate of Return (PRR) – Standard is 25% or 4 x the investment (How much revenue needed for profitability). For every $1 spent you want to earn $4
  EX: Invested $50 x 4 times your investment = $200 aka 25%

- Return on Investment (ROI) – Profit Amount Gained / Original Cost invested x 100 = % ROI
  EX: $500 invested for an AD. Earned $675 = $175 / $500 = 0.35 x 100 = 35%

- Close Rate (CR) – Actual Customers / Totals Leads x 100 = %CR (4%-10% is average) Converting Leads into Sales
  EX: 325 leads gained 45 customers … 45 / 325 = 0.13 x 100 = 13%

- Cost Per Action (CPA) – Customer Lifetime Value (CLV) in $ x 25% Projected Rate Return = $ CPA
  EX: $750 CLV x 0.25 = $187.50 CPA Cost to Acquire a customer

Am I spending enough on Pay Per Click Campaigns (PPC)?

1) Estimate your desired sales per month **EX: 50 sales per month**

2) Use a Guess or the actual Close Rate % (CR) – **EX: 13%**

3) Get your Cost Per Action (CPA): **EX: $187.50**

3) Calculate the Cost Per Lead (CPL): **EX: $24.37**

4) Multiply the number of Leads ***X*** Target CPL (This tells you how much you need to spend per month to buy leads) **EX: 100 leads x $24.37 = $2,437 per month**

5) Divide the budget / 30 days to get the daily budget for Google Adwords or PPC
EX: $2,437 / 30 days = $81.23 per day

W: www.ImpactBrandingConsulting.com **Office:** 678-390-2681
E:Admin@ImpactBrandingConsulting.com