

Online Success, By The Numbers

By Paula Morrow

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Do you know your conversion rate? What about your cost per visitor? All the terms basically deal with the same question:

Do you know how much a visitor is worth to you? So that, when you purchase advertising, you won't end up overpaying?

Internet marketing, it's been said, is a numbers game. This becomes critically evident after you've finalized your web site and offers, gotten a few sales under your belt, and are ready to go wide with your advertising effort.

So ready to get out there and make some real money? But wait...do you know how much advertising to buy, what you can afford?

Follow the steps below, to determine your numbers, before you spend so much as a penny!

1. Determine How Strongly Your Web Site Is Pulling

First, get a handle on your traffic. These numbers can be retrieved from your hosting service's server logs. Many, if not most, web hosts provide a traffic log feature as part of their standard package.

If you aren't sure whether your host offers this, ask!

Choose a time period to analyze - either a week (if you have high traffic) or a month.

Examine the logs - during your chosen time period how many visitors came to your site? How many sales resulted from this traffic? This is your visitor to sales ratio.

To make it easy, say that you receive 1,000 visitors a month, and ten of them buy something from you. Your visitor to sales ratio is 100 to 1 (1,000 divided by 10).

If you receive a higher level of sales, say 20 for the same 1,000 visitors, your ratio would be 50 to 1 (1,000 divided by 20).

Then, you take this ratio and apply the profit per sale. So, using the 50 to 1 ratio from above, if you closed one sale for every 50 visitors, and your product costs (and yields a profit of) \$50, you can pay up to a dollar for that visitor, and break even.

The numbers:

1 sale, multiplied by \$50 per sale, divided by 50 visitors, equals \$1.

Now, your goal is to pay LESS than the \$1 cost per visitor - this difference is your profit.

You have to have a firm sense of your cost per visitor before moving forward with an expensive advertising campaign! Or you may soon find yourself overextended, and operating in the red.

2. Capture Those Non-Customer Email Addresses!

Now, before you run out and start to place ads, there will be an increased level flowing through your site very soon. Remember our 50 visitor to one sale ratio from earlier? One will buy...but 49 won't. You have to have a way to capture the non-purchasing visitor emails for future marketing efforts.

How to entice them to give up their addresses? Have sign up fields to your ezine on each and every page of your web site. Offer free information, in return for their email addresses (a free report, a multi-part mini course, a free ebook, etc.)

3. Track Your Way To Success

Finally, before you start advertising, you must have a way to track your results. Otherwise, you'll have no way of knowing which advertising vehicles are performing for you...which to keep, which to discard.

Sam Robbins' Adminder is one piece of software that is highly rated, and heavily used:
<http://www.adminder.com>

If you successfully do all three of the above, you'll be able to proceed with placing your ads with confidence, firm in the knowledge that you're operating your business at a profit (and not running in the red).

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Paula Morrow heads Ideal Marketing Corporation, specializing in information products and training for newbie netpreneurs. Subscribe to IDEALProfits, now read in 12 countries, and receive 5 bonus ebooks! <http://www.idealmarketingcorp.com/subscribe.html>

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