

Understand the Conversion Funnel

Conversion funnel is a term that helps you visualize and understand the flow through which a potential customer lands on your site and then takes the desired action (for example, makes a purchase, or *converts*). This process is often described as a funnel because, as a marketer, you're guiding your customer toward a conversion point.

A traditional conversion funnel (also known as a purchase funnel or sales funnel) is a marketing analogy that consists of four main pieces that likens a customer's journey towards the purchase of a product or service:

- **Awareness:** The customer is aware of the existence of a product or service
- **Interest:** The customer actively expresses an interest in a product group
- **Desire:** Aspiring to a particular brand or product
- **Action:** Taking the next step towards purchasing the chosen product

All eCommerce organizations have a well-established funnel. However, a traditional funnel approach does not always work for all customers. Monetate understands that each customer journey is unique and impacted by a variety of factors, and it gives you the tools to optimize and individualize each customer's journey at every stage of the conversion funnel.

The Monetate Approach to Your Conversion Funnel

Monetate experiences parallel the traditional conversion funnel approach in what it calls the Customer Experience funnel.



Monetate optimizes the customer journey by measuring conversion metrics throughout your customer's experience and compare this to eCommerce industry standards. As with any funnel, you start with a much larger pool of customers that gradually gets smaller as they progress.

Landing Rate

Landing rate is the percentage of visitors who enter your site and progress beyond the page of entry, or landing page, as compared to the total site traffic. Landing rate is the opposite of bounce rate.

Example

- 1,000 total site visitors arrive on site from an email
- 500 visitors click through to a second page after landing
- Landing rate = 50% (500/1,000)

Browse Rate

Browse rate is the next step in the Customer Experience funnel. It's a subset of the customers in the Landing rate percentage who view products on the product detail page.

Example

- A 50% Landing rate includes 500 visitors
- Of those 500 visitors, 300 reach a product detail page
- Browse rate = 60% (300/500)

Select Rate

Select rate is the next step in the Customer Experience funnel. It's the percentage of visitors included in the Browse rate who add products to the cart. Customers must add at least one product to their cart to be included in the Select rate.

Example

- A 60% Browse rate includes 300 visitors
- Of those 300 visitors, 60 add an item to their cart
- Select rate = 20% (60/300)

Purchase Rate

Purchase rate is the final step in the Customer Experience funnel. It's the percentage of visitors included in the Select rate who complete their purchase (or convert).

Example

- A 20% Select rate includes 60 visitors
- Of those 60 visitors, 24 add an item to their cart
- Purchase rate = 40% (24/60)

Keep in mind that everything presented in these training materials is only the baseline for the strategic approach you can take with Monetate. The Strategy and Insights team is here to help develop a personalized approach to your specific business goals. Contact your Client Success Manager (CSM) for more information.