

Traffic Formulas & Methodology

- ① Increase Traffic Volume
- ② Lower Cost Per Visitor
- ③ Raise Average Visitor Value (LTV)

Traffic Formulas & Methodology

- ✔ To make money you must know THE MATH
- ✔ You must know how to properly “keep score”
- ✔ Need to understand some proven formulas
- ✔ More profit can be achieved at different points
- ✔ Your business model & structure affects profits
- ✔ You must master KAIZEN - gradual improvement
- ✔ In this module I use a planning & strategy tool called GERU. Email me at johnreesehelp@gmail.com

Common Marketer Mistakes

- ✔ Not doing calculations on individual traffic sources
- ✔ Not recognizing conversion outliers & data anomalies
- ✔ Making data-driven decisions with seasonal data
- ✔ Not focusing on highest leverage points
- ✔ Relying on scientifically invalid split-tests
- ✔ Not mastering KAIZEN - gradual improvement
- ✔ Not realizing slight losing campaigns are actually winners
- ✔ **FAILURE TO... "GO SMALLER, TO GROW BIGGER!"**

Split-Testing Discipline

- ✓ A/B Split-Testing is how to maximize your success
- ✓ You should be running split-tests at all times
- ✓ Optimizely or VWO.com for web pages
- ✓ Ad Creatives and Opt-in Pages easiest to improve
- ✓ Always use a "Race to 300" - (400 if possible)
- ✓ 7 Full Days before making determination on winner
- ✓ Multivariate Testing is TOTAL NONSENSE!
- ✓ Keep a "Future Tests" diary and/or scheduled pipeline

Mining Traffic Campaign Gold

- ✔ Target marketing & communications for each step
- ✔ Separate tracking, split-testing, and data analysis
- ✔ Manage each individual campaign like separate biz
- ✔ Use the 80/20 Rule for building your growth
- ✔ Make more money with campaign "spin-offs"
- ✔ Develop micro-targeting within micro-targeting
- ✔ For highly profitable campaigns consider cloning yourself with another web site/business.

Traffic Secrets Base Formula

- ✓ **GVC** = Gross Visitor Cost (i.e. \$1.00 per click)
- ✓ **NV** = Number Of Unique Visitors
- ✓ **CMC** = Campaign Management Cost (Based on \$10/hour and 30 min/mo./campaign. i.e. \$5/campaign)
- ✓ **TCC** = Total Campaign Cost **(GVC x NV) + CMC = TCC**
- ✓ **NC** = Number Of Unique Customers
- ✓ **TGP30** = Total Gross Profit (1st 30 days)
- ✓ **GPV30** = Gross Profit Per Visitor (1st 30 days)
TGP30/NV = GPV30 i.e. \$2,000/1,000 = \$2.00

Traffic Secrets Base Formula

✔ **TCP** = Total Campaign Profit

$$\mathbf{TGP30 - TCC = TCP}$$

i.e. \$2,000 - \$1,005 = \$995 Profit

✔ **CPV30** = Avg. Campaign Profit Per Visitor (1st 30 Days)

$$\mathbf{TCP/NV = CPV30}$$
 i.e. \$995 Profit/1,000 visitors = \$.95

✔ **LCO** = Leverage Coefficient

✔ **VCO** = Viral Coefficient

Prioritizing Campaigns For Improvement

- ✔ **B/E30** = Break-even in 1st 30 Days
GPV30/TCC = B/E30 i.e. \$1,000/\$2,000 = .5 or 50%
- ✔ **≥70% B/E30** = Tier-1 Campaign Priority
- ✔ **≥50% B/E30** = Tier-2 Campaign Priority
- ✔ **≥25% B/E30** = Tier-3 Campaign Priority
- ✔ **<25% B/E30** = Paused/Ignored

10(5) Profit Growth Formula

10/10/10/10/10

(5) Key areas of your marketing that you should try and produce a 10% improvement to every month:

Ad-Level, Opt-in Page, Core Offer, Follow-Up, Lead & Customer Monetization

*** 80/20 Rule for Ad-Level; Tier-1 >70% B/E30**