



e-Commerce Developer

Module BM01: Project Planning

Individual exercise for establishing relations between KPIs

Using following parameters ...

Traffic, UU: objective (visits are normally equivalent to unique users - the number of different people (different IP) that visit your web page) = **100,000**

Average cart per transaction (value of items that may be added to the shopping cart) = **EUR 100**

Cost per Click = **EUR 0.2**

Conversion rate (how many website or app visitors complete an action out of the total number of visitors) = **2%**

Click through rate (how many people clicked your ad to visit a website or landing page) = **10%**

... try to answer to the following questions:

1. What is the **estimated turnover** to reach under conditions mentioned above?
2. What is the **minimum quantity** of products to be sold when the objective is done?
3. What is the **estimated profit** when margin equals 30%?



SOLUTION:

Estimated turnover

$100,000 \times 0.2 \times \text{EUR } 100 = \text{EUR } 2,000,000$ turnover

Minimum quantity

$\text{EUR } 2,000,000 / \text{EUR } 100 = 20,000$ pcs sold

Estimated profit

Cost of campaign $\text{EUR } 100,000 \times 0.2 = \text{EUR } 20,000$

Margin $\text{EUR } 2,000,000 \times 0.3 = \text{EUR } 600,000$

Profit $\text{EUR } 600,000 - \text{EUR } 20,000 = \text{EUR } 580,000$