

Conversion Rate

How to Improve Your Conversion Rate

What is conversion rate?

Conversion rate is a measure of the success of your shop.

- If your shop is good, well displayed with exciting visual merchandising and with the right products at the right prices and your staff are engaged and welcoming your conversion rate should reflect this. **The higher the % rate the better.**
- Conversion is about people, turning your visitors into spenders – by promoting your shop effectively, targeting your offers and giving your visitors a compelling reason to come and purchase from you.
- Conversion rate percentage is calculated by dividing the number of transactions through your till(s) by the number of visitors to your museum. (x by 100 to show as percentage).

$$\frac{\text{Transactions x 100}}{\text{Total Visitors}} = \text{Conversion Rate}$$
$$\frac{210,000 \times 100}{600,000} = 35\%$$

So, now we know how to calculate it, and have a base rate to work from let's look at what we can do to **improve the rate?**

1. Understand why people don't buy.

- a. One of the most important things a retailer can do to improve conversion rates is to understand why people don't buy. Long queues at busy times, blocking access to fixtures, not being able to find someone to help them, out-of-stock merchandise, poor displays ... the list goes on.
- b. Every shop manager should spend some time observing visitors to their store. Resist the temptation to help; just observe the behaviours. It won't take long to identify some actions you can take to turn more visitors into buyers. As with many things in retail understanding and knowing your customer is critical.

2. Service window.

- a. Aligning your staff resources to when visitors are in the shop will help maximise the chances of converting more visitors into buyers.
- b. Pay attention to lunchtime, when visitor traffic can be way up. Staff lunch breaks can seriously drag down conversion rates. Staff need to eat, but shoppers need to be served.
- c. Matching staff schedules to visitor volume and timing will improve your chances of converting more in-store shoppers.
- d. Look for conversion leaks, then plug the holes. When your shop/venue is really busy on high days and holidays then your conversion rate will drop. On slow days, the conversion rate will go up, staff have more time to talk to customers.

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3. Make conversion a team activity.

- a. It takes the collective effort of all staff to help turn visitors into buyers. Everyone in the shop plays a role, especially where visitors services are shared.
- b. Don't view conversion as merely some retail metric, but rather a simple measure of how well the whole venue is doing at helping people buy.
- c. A good way to improve conversion rates is to ensure all your staff understand what conversion is and how each of them helps influence it. Ask your staff about why they think shoppers don't buy and what can be done to improve conversion rate. Get them excited about moving the conversion needle and you'll significantly improve your chances of actually doing it.

4. Review Product Range

- a. This is fairly fundamental. If you have done everything you can possibly do to make sure the customer can see your offer, it looks inviting, the displays look good, there are people around to help, the prices are right then you need to take a good hard look at your product offer and to see that it meets the needs of the visitors you have got. (not the needs of the visitors you might wish you had!)

5. Merchandise Presentation

- a. This can make a real difference to a potential customer, improve this to create the desire, the impulse to buy. Displays always need to be fresh, clean, and to be kept relevant and up-to-date. If staff and costs resources make this a struggle then make sure that the focus table, the one the customer sees first is always perfect.

6. Staff Selling Skills- **THINK A.I.D.A**

- **AWARENESS** – being that visitors can see the shop
- **INTEREST** – being that the shop looks inviting
- **DESIRE** – being that the product is relevant and attractively presented
- **ACTION** – being linked to customer service and 'active selling'

7. Good In-stock Position – especially on best sellers

8. Shop Location/Signage – make sure visitors can find your shop easily!

9. Cross Marketing – Café, Loos, etc.

10. Promote 'feel good' factor

11. Voucher Promotions

12. Open Doors!