

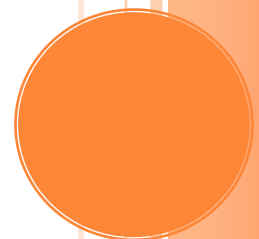
# *eCommerce Revenue Business Model Calculator User Guide*

## *Excel-based Ecommerce Revenue Calculator*

This Excel-based Calculator allows the user to review different eCommerce scenarios and their impact on total revenue. Detailed “what-if” analysis can be carried out on all the key variables that effect total eCommerce revenue over four periods (months, quarter, or year). The Excel model is totally customizable, uses only standard Excel features and contains no macros.

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# eCommerce Revenue Business Model Calculator User Guide

## *Excel-based Ecommerce Revenue Calculator*

### INTRODUCTION

Revenue growth is the primary objective for all ecommerce stores.

The **Ecommerce Revenue Business Model Calculator** allows you to evaluate the revenue outcome of different assumptions and strategies.

The three key variables that drive ecommerce revenue are:

- The number of ecommerce store visitors and growth/decline for each period
- The conversion rate for visits to orders and growth/decline for each period
- The average order value and growth/decline for each period

The **Ecommerce Revenue Business Model Calculator** allows you to manipulate any of these three key variables that underpin all ecommerce revenue strategies.

To drive ecommerce growth should you:

- Focus predominately on driving extra traffic to the website?

or

- Seek to grow the conversion rate from existing traffic?

or

- Is there an opportunity to significantly increase the average order value?

**Ecommerce Revenue Business Model Calculator** allows you to do detailed “what-if” analysis on these key variables that effect total ecommerce growth and revenue for each of four periods. A period can be defined as Month, Quarter or Year to suit your particular analysis and planning.

### Key Points

- Suitable for existing and new eCommerce businesses
- What-if Revenue Analysis for four periods
- User selects period as month, quarter or year.
- Dashboard graphic display of all key variables and revenue
- Fully customizable Excel template
- Uses only standard Excel features, no macros
- Suitable for Excel 2003, 2007 & 2010
- Comprehensive User Guide
- No Quibble Money Back Guarantee

## Results

Projections are calculated and displayed in tabular format and in a graphic dashboard for each of four periods (which can be set to months, quarters, or years) for the following:

- (a) Number of visitors,
- (b) Conversion rates,
- (c) Average order value
- (d) Average revenue per visit and
- (e) Total revenue.

# USER INSTRUCTIONS

## Setup

The calculator comes ready to use out of the box.

Diagram 1 below depicts the setup and data input worksheet.

Ecommerce Revenue Business Model Calculator Input					
<b>Please Select type of Business (Existing or Start-up)</b>					
Business Type					
<input checked="" type="radio"/> Existing Ecommerce Business					
<input type="radio"/> Start-up Ecommerce Business					
<b>Periods Used</b>					
Quarter					
<b>Existing Ecommerce Business</b>			<b>Values</b>		
Current Number of Visitors	5000				
Current Conversation Rate (%)	1.50%				
Current Average Order Value	\$100.00				
Or					
<b>Ecommerce Start-up 1st Quarter</b>			<b>Values</b>		
Projected First Quarter Number of Visitors					
Projected First Quarter Conversation Rate (%)					
Projected First Quarter Average Order Value					
<b>Revenue Factors Changes</b>		<b>Quarter 1 Change</b>	<b>Quarter 2 Change</b>	<b>Quarter 3 Change</b>	<b>Quarter 4 Change</b>
		(+ - %)	(+ - %)	(+ - %)	(+ - %)
Visitors (% change +/-)	10.0%	15.0%	10.0%	5.0%	5.0%
Conversion Rate (% change +/-)	10.0%	7.5%	5.0%	5.0%	5.0%
Average Order Value (% change +/-)	3.0%	5.0%	7.5%	7.5%	7.5%
<b>Annual Revenue &amp; Associated Factors</b>		<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
Number of Visitors	5500	6325	6957.5	7305.375	
Conversion Rate	1.65%	1.77%	1.86%	1.96%	
Average Order Value	\$103.00	\$108.15	\$116.26	\$124.98	
Average Revenue per Visit	\$1.70	\$1.92	\$2.17	\$2.44	
Total Revenue	\$9,347	\$12,133	\$15,065	\$17,855	
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Diagram 1 Ecommerce Revenue Calculator set-up and data input

## SELECTING COMPANY TYPE

The model is suitable for existing Ecommerce businesses and start-up Ecommerce business. The user should select the type of business to be analysed as per item [1] in diagram 1 above.

## SELECTING PERIOD DEFINITION

The model is suitable for four periods and can be the period should be defined as Month, Quarter or Year. The user should enter the Period definition as per item [1] in diagram 1 above.

## ENTERING STARTING POSITION

### *Existing Ecommerce Businesses*

Existing Ecommerce businesses should enter the following parameters:

- Number of Site Visitors
- Conversion Rate percent
- Average Order Value.

This starting position is used to analyse the impact of the various scenarios and strategies in future periods.

### *Ecommerce Start-up Businesses*

Start-up Ecommerce businesses have no actual performance figures on which to base future projections. The user should enter data based on projections for the first period (Month, Quarter or Year). The following parameters should be entered:

- Number of Site Visitors, projected at the end of Period 1
- Conversion Rate percent, projected at the end of Period 1
- Average Order Value, projected at the end of Period 1.

This starting position is used to analyse the impact of the various scenarios and strategies in future periods.

## ANALYSING SCENARIOS & STRATEGIES

The future revenue generated by the Ecommerce model is driven by three key variables.

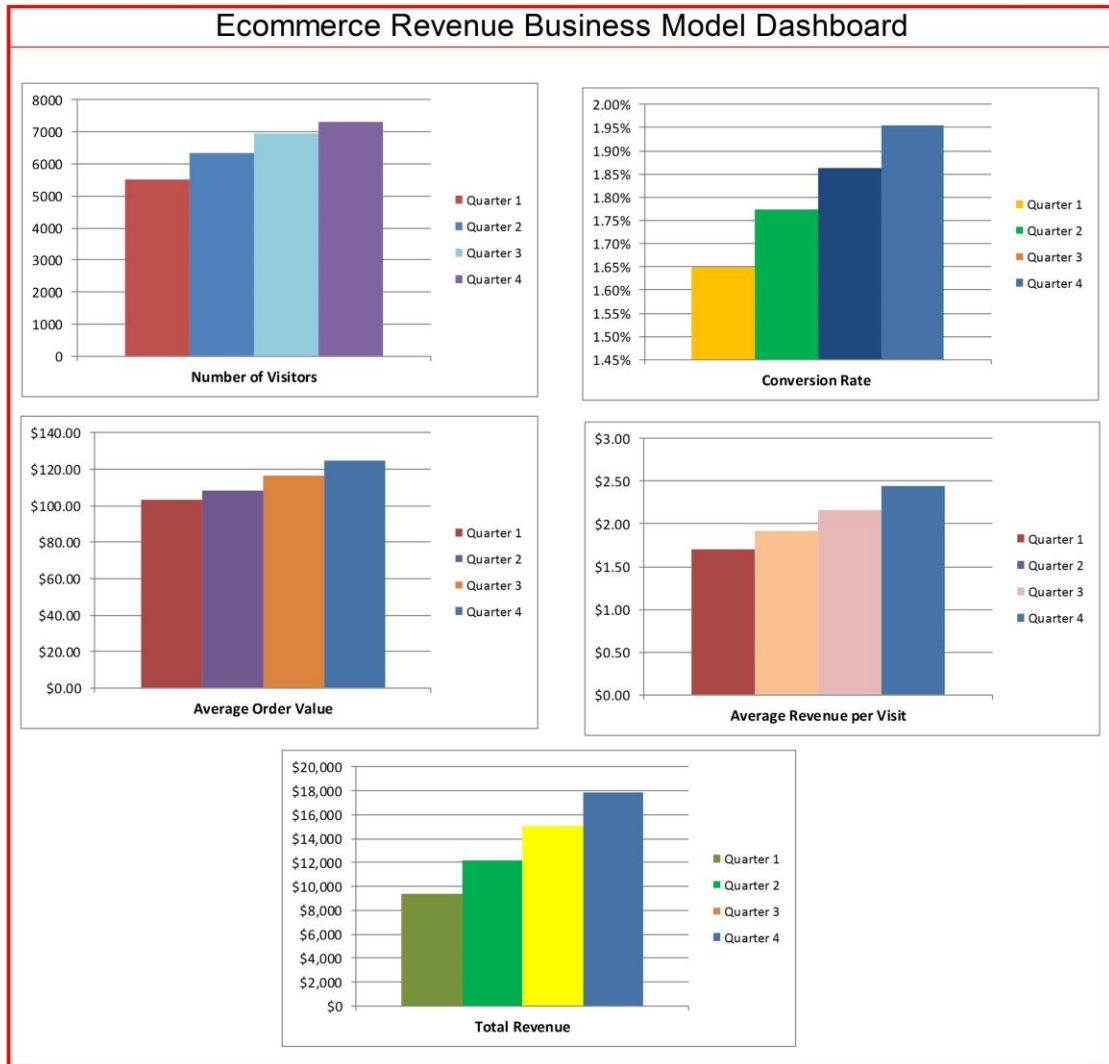
These are:

- Percentage change (positive or negative) in the number of Site Visitors.
- Percentage change (positive or negative) in the Conversion Rate.
- Percentage change (positive or negative) in the average Order Value.

The revenue impact of changes/updates to any of the variables is calculated and presented in tabular and graphic format. This allows the impact of any scenario to be reviewed and comprehensive “What-if” analysis to be carried out.

## ECOMMERCE REVENUE DASHBOARD

The results of the different scenarios being analyzed are presented in tabular format (Diagram 1, item [2]) and graphically in a comprehensive dashboard as depicted in Diagram 2 below.



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Diagram 2 Ecommerce Revenue Dashboard