

Example: Advertising vs. Testing

Website X has \$10,000 to invest in increasing revenue

Current metrics:

Conversion Rate: **2%**
Average Order Size: **\$100**
Monthly Unique Visitors: **10,000**

Monthly Revenue: **\$20,000** (10,000 x .02 x \$100)

Advertising campaign brings in 10,000 new visitors:
20,000 unique visitors for 1 month x .02 x \$100 =
\$40,000 revenue for 1 month only

Website test results in 100% conversion rate increase:
10,000 monthly unique visitors x .04 x \$100 =
\$40,000 revenue each month thereafter