



## **Improving Your Conversion Rates**

When we think about conversion rates, most people think about web-based businesses. The conversion rate is the actual number of people that buy from your business after having contact with it. For example, if you get 100 visitors on your website and 1 sale, you would have a 1% conversion rate. In a retail store, you might have 300 people come through the door in a given day and maybe 200 transactions; this would mean that you have a 66% conversion rate. In a B2B operation, you might have contacted 500 customers in a month but only have 100 actual customers buying from you; this is a 20% conversion rate.

### **Why is your conversion rate important?**

Think about how much effort you have put into reaching prospects and converting them into customers. Businesses spend thousands upon thousands of dollars getting people to come into contact with them. We do this through advertising, promotions, publicity, referral requests, direct marketing, websites ... you get the picture. The more of these prospective customers and visitors that you convert into sales, the higher your conversion rate. This will translate into higher sales and higher profits. Now, we are not talking here about higher *average* sales (we will discuss how you can increase average sales to increase profits in the next chapter). What we are talking about here is your sales model. How are you engaging customers and encouraging them to actually buy from you, and do it more often? To engage our customers more often, we need to first find out why we might be turning them away!

### **What do potential customers not like about you?**

Almost every business owner I talk to wants to get more profitable by increasing sales, but few actually ask the question, "Why don't people buy from us?" What is it that people don't like about your industry? For example, if you have a medical supply or health-related business, people might think that you are expensive, have limited stock, or don't have enough educated staff. If you have a grocery store, maybe people don't like the fact that you don't have service staff, are out of stock, or you have poor parking. You may be thinking right now that your industry doesn't have those problems because you sell used cars. Well, let me tell you something you won't believe: people don't trust used car salespeople! If you have a medical or dental office, you need to know that most people hate coming to see you because they are scared! Every industry has reasons why people don't buy from them. What are yours?

### **What are you doing that frustrates your customers?**

Is it the long lines? The fact that your sales staff talk but don't listen? Perhaps your product leaks, or has other technical issues? Maybe your software always needs upgrades? Perhaps when your customer gets a product upgrade, it doesn't work properly? Think about the complaints your business has received. Ask your staff or even your friends. Ask your customers! If you want to increase your conversion rates, you need to figure out the core reasons that people don't like



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your industry. Uncovering this dislike for your industry or your business can be like finding gold. By overcoming your customer's dislike of your business or industry, you can show prospective customers that they can trust you. You will increase the number of people that will buy from you. You will increase your profits. In short, you will be more successful. Of course, you first need to identify the problem, fix it, and communicate that to your customer. Once you do, you will be able to convert more prospects, and get your current and past customers to buy from you more frequently. This will save you money and make you profits.

List 10 reasons why people don't like your business and your industry.

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2.

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4.

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How many of the above problem areas are you already addressing? What are you doing to convey the fact that you are addressing these concerns to your customers and prospective customers?