

THE SALES EQUATION



The sales equation can be used to identify areas to work on, in order to improve sales at the store. Store teams can increase sales, by working on ways to improve conversion & ATV

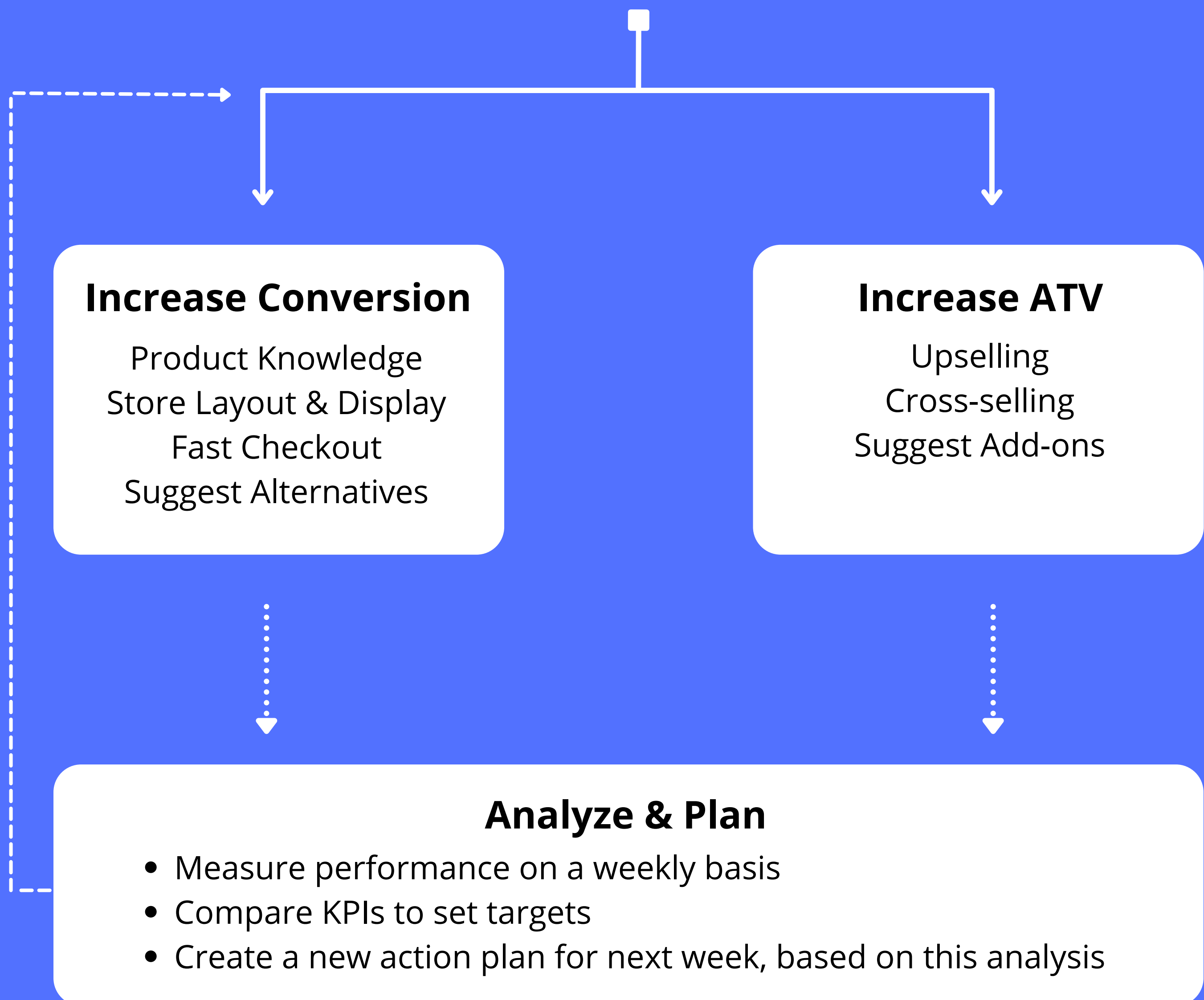
Conversion

How many customers bought, out of the customers who visited the store

ATV

Average transaction value or average order value (AOV)

$$\text{SALES} = \text{TRAFFIC} \times \text{CONVERSION} \times \text{ATV}$$



Formulas

ATV = Sales ÷ No. of Transactions

Conversion = No. of Transactions ÷ Traffic x 100