

Optimizing to Value Per Transaction

As a modern e-commerce business, we know you likely already have a diverse marketing mix driving towards maximizing the value of, and experience for, each individual customer. At Rokt, we believe in order to get a holistic view, you need a north star metric that encompasses your programs of work, allowing you to optimize performance across the board.

The limitations of Average Transaction Value

Many e-commerce marketing teams measure campaign effectiveness by calculating results to an Average Value per Transaction (ATV) in the following way:

$$\text{Total value of all transactions (\$)} / \text{number of transactions} = \text{ATV}$$

While this does offer some insight, ATV is ultimately limiting since it only takes into account the value of goods or services and results, limiting the ability to have a holistic performance measurement.

Better understand the value of your commerce experience

Value Per Transaction (VPT) bridges the gap in ATV by capturing additional types of value, including lifetime value, average order amount, and ancillary revenue. This provides a clearer, more complete understanding of your marketing strategy's effectiveness.



Value Per Transaction is a unifying metric that gives clear insight into the entire spectrum of customers interacting with your site. Using VPT, businesses can optimize and maximize on the full potential of their transaction experience.

Let's expand on each type of value.

1 Lifetime value - With discounts, personalized offers, and marketing opt-ins, Rokt empowers users and builds a long term relationship with your brand.



2 Average Order Value - Rokt boosts average order values with add-to-cart campaigns such as insurance, parking, car rentals, gift cards and merchandise, as well as upsells such as VIP experiences, free shipping, baggage, expedited check-in, and more.



3 Ancillary Revenue - Each time a customer opts-in to a 3rd party Marketplace offer, Rokt generates profit, direct to the bottom line.



How it all comes together into this one key metric: VPT

Personalizing the transaction by optimizing to value for each customer

Today, there are thousands of software providers helping e-commerce brands to locate prospects, optimize the customer journey, and nurture conversion. Once they reach the checkout process however, the optimization usually ends.

Rokt has a laser focus on the transaction. We help our partners unlock more value throughout their transaction by measuring and optimizing for VPT with the added benefit of personalizing user experience.

Calculating the actual value per transaction is critical to ensuring that accurate comparisons are made between internal vs. external marketing objectives and short-term vs. long-term value for each customer.

Value is maximized for each customer by dynamically changing the user's experience based on what is in their cart as well as who they are (i.e. demographic information, previous interactions, and purchase behavior).



The following aspects are optimized and personalized:

Design



The look and feel of the page (layout, sizing, fonts, colors, etc.)

Offers



The offers presented (loyalty, upsell, 3rd party)

Creative Messaging



Language for each offer (e.g. rational vs. emotive messaging)

Price and Promotion



Price and promotion of the offer (e.g. 10% off vs. equivalent \$ off)

Rokt's partners use VPT as a north star metric that encompasses their sophisticated marketing mix, allowing them to optimize performance across the board and maximize the value of, and experience for, each individual customer in the Transaction Moment™.

Want to learn how Rokt can help you optimize to Value Per Transaction?

Reach out now to solutions@rokt.com.