

Improve Your Average

Understanding the Metric

WHAT IS AVERAGE TRANSACTION SIZE?

Average transaction size is a key metric for retailers that helps them understand their customer base and optimize their marketing and sales strategies. It is calculated by dividing the total sales revenue by the number of transactions. For example, if a retailer has \$1,000,000 in sales revenue and 10,000 transactions, the average transaction size is \$100. This metric is important because it helps retailers identify their most profitable customers and products, and it can be used to inform pricing, promotion, and inventory decisions.

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WHY IS AVERAGE TRANSACTION SIZE IMPORTANT?

There are several reasons why average transaction size is important for retailers:

1. It helps retailers identify their most profitable customers and products.
2. It can be used to inform pricing, promotion, and inventory decisions.
3. It is a key indicator of customer loyalty and repeat business.

By understanding their average transaction size, retailers can better understand their customer base and optimize their marketing and sales strategies. For example, if a retailer has a low average transaction size, they may want to focus on promoting high-margin products or offering incentives to encourage larger purchases. Conversely, if a retailer has a high average transaction size, they may want to focus on providing excellent customer service and offering loyalty programs to encourage repeat business. Overall, average transaction size is a key metric that can help retailers improve their performance and profitability.

HOW CAN YOU IMPACT AVERAGE TRANSACTION SIZE?

Best practices for increasing average transaction size include:

- **Supersizing Products:** Selling larger quantities of a product, such as a 5-gallon bucket of paint instead of a 1-gallon can.
- **Add-On Sales:** Selling additional products, such as a paintbrush or roller, when a customer purchases a bucket of paint.
- **Bundling:** Selling multiple products together, such as a paint bucket, brush, and roller.
- **Project-Based Merchandising:** Selling products that are needed for a specific project, such as a bucket of paint, brush, and roller.
- **Cross Merchandising:** Selling products that are related to each other, such as a bucket of paint and a paintbrush.

By using these best practices, you can increase your average transaction size and improve your overall sales performance.

- **Add-On Sales:** Customers often purchase additional items when they buy a primary product. For example, a customer buying a bucket of paint might also purchase a paintbrush or roller. This strategy can be used to increase the value of each transaction.
- **Bundling:** Selling multiple products together at a discounted price can encourage customers to purchase more items. For example, a bundle of paint, brush, and roller might be sold for less than the individual items.
- **Project-Based Merchandising:** Customers often purchase products for a specific project. By selling products that are needed for a project together, you can increase the value of the transaction. For example, a bucket of paint, brush, and roller might be sold together for a project.
- **Cross Merchandising:** Selling products that are related to each other can increase the value of the transaction. For example, a bucket of paint and a paintbrush might be sold together.

- **Supersizing Products:** Selling larger quantities of a product can increase the value of the transaction. For example, a 5-gallon bucket of paint is more expensive than a 1-gallon can. This strategy can be used to increase the value of each transaction.

- **UniA2e**

Example: The contractor is required to provide a written estimate of the cost of the work to be performed. The contractor must also provide a written estimate of the cost of the materials to be used in the work. The contractor must also provide a written estimate of the cost of the labor to be used in the work. The contractor must also provide a written estimate of the cost of the overhead and profit to be used in the work. The contractor must also provide a written estimate of the cost of the taxes and other charges to be used in the work. The contractor must also provide a written estimate of the cost of the insurance to be used in the work. The contractor must also provide a written estimate of the cost of the bonds to be used in the work. The contractor must also provide a written estimate of the cost of the other charges to be used in the work. The contractor must also provide a written estimate of the cost of the other charges to be used in the work.

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Buchheit

Eight stores across Illinois and Missouri

Missouri's first Buchheit store opened in 1987 in St. Louis. The store was a success, and the company expanded to other parts of the state. Today, Buchheit has eight stores across Illinois and Missouri.

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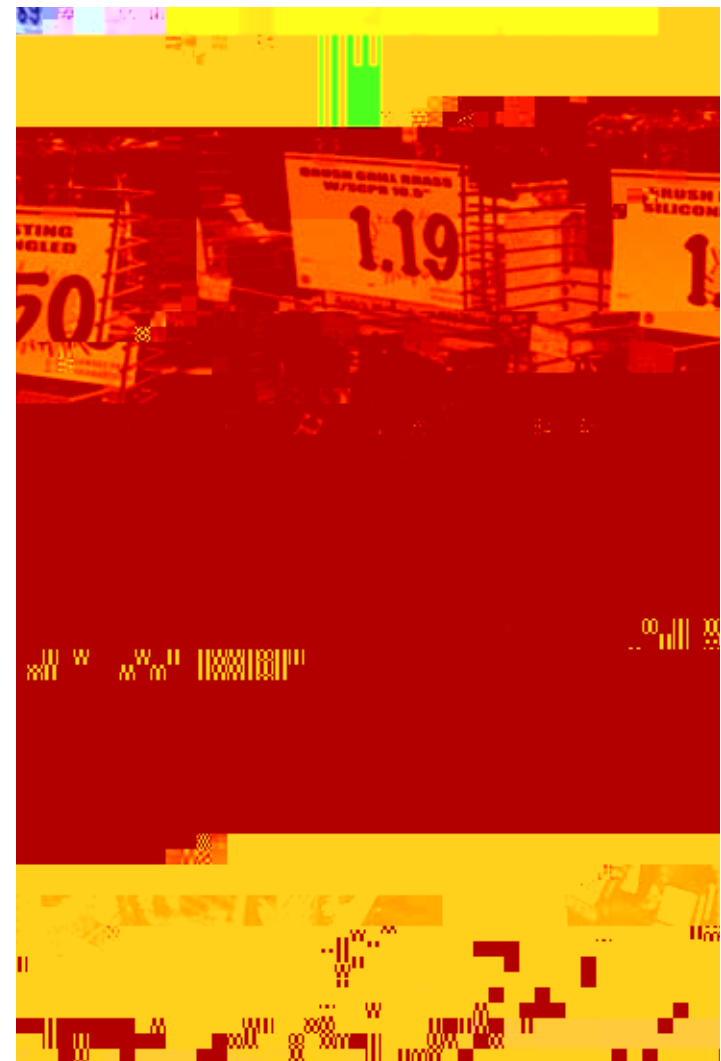
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OTHER RESOURCES

www.entrepreneur.com/article/191978

www.hardwareetailing.com/increase-transaction-size-with-home-security-products/

www.YourNHPA.org/membership

EXAMPLES FROM OTHER RETAIL STORES:

- **Trader Joe's:** Trader Joe's is a grocery store chain that has successfully implemented a variety of strategies to increase transaction size. One of their key strategies is to offer a wide variety of private label products, which allows them to offer lower prices than their competitors. Additionally, they offer a variety of bulk and multi-pack options, which encourages customers to purchase more items. They also offer a variety of seasonal and holiday-themed products, which are often sold in larger quantities. Finally, they offer a variety of specialty and gourmet products, which are often sold in smaller quantities but at a higher price point.
- **Shoe Carnival:** Shoe Carnival is a shoe store chain that has successfully implemented a variety of strategies to increase transaction size. One of their key strategies is to offer a wide variety of shoe styles and brands, which allows them to appeal to a broad range of customers. Additionally, they offer a variety of accessories, such as socks and shoe care products, which are often sold in smaller quantities but at a higher price point. They also offer a variety of seasonal and holiday-themed shoes, which are often sold in larger quantities. Finally, they offer a variety of specialty and gourmet shoes, which are often sold in smaller quantities but at a higher price point.