Daily Sales Report Terminology

# 2. Jargon and Terminology

## Sales Volume

Definition: The total number of units sold on a given day, week, or month.

Why it matters: It provides a measure of demand and activity level. It can indicate the success of products and marketing efforts.

Synonyms: Units Sold, Sales Quantity, Number of Units, Transaction Volume, Sales Count

Example: Today, we sold 500 units of Product X, which is an increase compared to 300 units sold yesterday.

## Conversion Rate

Definition: The percentage of website visitors who make a purchase or complete a desired action.

Why it matters: It indicates how effectively the website or mobile app turns visitors into paying customers.

Synonyms: Conversion Ratio, Conversion Efficiency, Purchase Rate, Visitor-to-Buyer Rate

Formula: (Number of Purchases ÷ Number of Visitors) \* 100

Example: Our conversion rate for today is 2.5%, which is lower than last week’s average of 3%.

## Average Order Value (AOV)

Definition: The average amount spent per order. It's calculated by dividing the total revenue by the number of orders placed.

Why it matters: A higher AOV indicates that customers are spending more per transaction. Increasing AOV is a common strategy for boosting revenue.

Synonyms: Average Transaction Value, Average Cart Value, Order Value, Purchase Value

Formula: Total Sales ÷ Total Orders

Example: The AOV for today is $80, which is an improvement from $75 yesterday.

## Revenue

Definition: The total amount of money generated from all sales before any deductions (like costs, returns, or refunds).

Why it matters: It’s a key performance indicator (KPI) for assessing overall business success. Revenue reflects the effectiveness of sales strategies and customer demand.

Synonyms: Sales Revenue, Gross Revenue, Total Sales, Top-Line Revenue, Sales Income

Example: Total revenue today was $50,000, which is on par with our projections.

## Gross Profit

Definition: The profit from sales after subtracting the cost of goods sold (COGS), but before operating expenses, taxes, and interest.

Why it matters: Gross profit indicates how efficiently a company is producing and selling its products. A low gross profit margin might indicate pricing issues or high production costs.

Synonyms: Gross Margin, Gross Profit Margin, Profit Before Expenses, Contribution Margin

Formula: Revenue - COGS

Example: Today’s gross profit is $30,000, with a gross margin of 60%.

## Promotions Impact

Definition: The effect that discounts, promotional offers, or marketing campaigns have on sales figures.

Why it matters: Measuring promotions' impact helps businesses understand whether sales spikes are due to genuine demand or just promotional activities.

Synonyms: Discount Impact, Sales Boost from Discounts, Promotion-Driven Sales, Campaign Impact, Promotional Effectiveness

Example: Sales from the 20% off promotion contributed 30% of today’s total revenue.

## Cart Abandonment Rate

Definition: The percentage of users who add items to their shopping cart but leave the site without completing the purchase.

Why it matters: A high abandonment rate may indicate issues with the checkout process, such as high shipping costs, long forms, or slow loading times.

Synonyms: Abandoned Cart Rate, Checkout Drop-Off Rate, Cart Drop-Off Rate, Purchase Abandonment Rate

Formula: (Abandoned Carts ÷ Total Carts) \* 100

Example: The cart abandonment rate today is 70%, meaning 7 out of 10 users left without making a purchase.

## Peak Hours

Definition: The specific times during the day when the highest number of sales are made or when website traffic peaks.

Why it matters: Identifying peak hours helps businesses optimize staffing, marketing, and customer support.

Synonyms: Peak Time, High-Traffic Periods, Sales Rush Hours, High-Volume Times

Example: Sales peak between 2 PM and 4 PM today, which is our usual sales rush period.

## Sales Funnel

Definition: The stages a customer goes through before making a purchase, typically: awareness, interest, consideration, and decision.

Why it matters: Understanding where customers are dropping off in the funnel allows for targeted improvements to increase conversion rates.

Synonyms: Purchase Funnel, Customer Journey, Sales Pipeline, Conversion Funnel, Buying Process

Example: We had 10,000 website visitors today, but only 500 completed a purchase, indicating a bottleneck in the checkout phase.