VALIDATION FUNNEL METRICS & BENCHMARKS GUIDE

The Basic Validation Funnel

Stage 1: Traffic → Landing Page

- Metric: Click-through rate (CTR) from ads/posts
- What to track: Clicks ÷ Impressions × 100

Stage 2: Landing Page → Interest

- Metric: Email signup rate or "learn more" clicks
- What to track: Signups ÷ Visitors × 100

Stage 3: Interest → Intent

- Metric: Conversion to paid action (deposit, pre-order, consultation booking)
- What to track: Paid actions ÷ Signups × 100

Stage 4: Intent → Commitment

- Metric: Follow-through rate (actually pay, show up, complete)
- What to track: Completed actions ÷ Initial commitments × 100

MINIMUM SAMPLE SIZES FOR RELIABLE DATA

Before You Can Trust Your Numbers:

- Minimum landing page visitors: 100 people
- Minimum email signups: 20 people
- Minimum ad spend for testing: $100-200
- Minimum test duration: 7-14 days

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Why These Numbers Matter:

- Under 100 visitors: Results too random to be meaningful
- Under 20 signups: Can't reliably test conversion to paid
- Under $100 ad spend: Not enough data across different audiences
- Under 7 days: Day-of-week variations skew results

BENCHMARK METRICS BY BUSINESS TYPE

LOCAL SERVICE BUSINESSES

Examples: House cleaning, landscaping, personal training, handyman

Traffic Sources & CTR Benchmarks:

- Facebook/Instagram local ads: 2-5% CTR
- Google local ads: 3-8% CTR
- Next-door posts: 1-3% CTR
- Local Facebook groups: 5-15% CTR

Landing Page Performance:

- Email signup rate: 15-30%
- Phone call rate: 3-8%
- Quote request rate: 5-15%

Intent to Commitment:

- Quote to booking: 20-40%
- Consultation to hire: 30-60%
- Deposit to completion: 85-95%

Red Flags:

- Email signup under 10%
- Quote requests under 2%
- Booking rate under 15%

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E-COMMERCE / PRODUCT BUSINESSES

Examples: Physical products, subscription boxes, handmade goods

Traffic Sources & CTR Benchmarks:

- Facebook/Instagram ads: 1-3% CTR
- Google Shopping ads: 0.5-2% CTR
- Pinterest ads: 0.2-1% CTR
- Influencer posts: 3-8% CTR

Landing Page Performance:

- Email signup rate: 10-25%
- Pre-order rate: 2-8%
- Waitlist signup: 15-35%

Intent to Commitment:

- Waitlist to purchase: 15-30%
- Pre-order to completion: 70-90%
- Email to first purchase: 5-15%

Red Flags:

- Email signup under 8%
- Pre-order rate under 1%
- Waitlist conversion under 10%

ONLINE SERVICES / DIGITAL PRODUCTS

Examples: Consulting, coaching, online courses, software

Traffic Sources & CTR Benchmarks:

- LinkedIn ads (B2B): 0.5-2% CTR
- Facebook ads (B2C): 1-4% CTR
- Google search ads: 2-6% CTR
- Content marketing: 2-10% CTR

Landing Page Performance:

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- Email signup rate: 20-40%
- Free consultation booking: 3-10%
- Webinar registration: 15-35%

Intent to Commitment:

- Consultation to sale: 20-50%
- Webinar to sale: 5-15%
- Email to sale: 2-8%

Red Flags:

- Email signup under 15%
- Consultation booking under 2%
- Sales conversion under 10%

COMPETITIVE E-COMMERCE

Examples: Sportswear, beauty products, tech accessories

Traffic Sources & CTR Benchmarks:

- Facebook/Instagram ads: 0.8-2% CTR
- Google ads: 1-3% CTR
- TikTok ads: 1-4% CTR
- Amazon PPC: 0.3-1% CTR

Landing Page Performance:

- Email signup rate: 8-20%
- Pre-order rate: 1-5%
- Quiz/survey completion: 25-45%

Intent to Commitment:

- Email to purchase: 3-10%
- Retargeting ad conversion: 8-20%
- Pre-order completion: 60-85%

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Red Flags:

- Email signup under 6%
- Pre-order rate under 0.5%
- Email conversion under 2%

SAMPLE SIZE CALCULATOR FOR VALIDATION

To Test Email Signup Rates:

Goal: Determine if signup rate is above 15%

- Minimum visitors needed: 200
- If you get 30+ signups from 200 visitors = Good signal
- If you get under 20 signups from 200 visitors = Poor signal

To Test Pre-Order Conversion:

Goal: Determine if pre-order rate is above 3%

- Minimum visitors needed: 500
- If you get 15+ pre-orders from 500 visitors = Good signal
- If you get under 10 pre-orders from 500 visitors = Poor signal

To Test Ad Performance:

Goal: Determine if CTR is above 2%

- Minimum impressions needed: 1,000
- If you get 20+ clicks from 1,000 impressions = Good signal
- If you get under 15 clicks from 1,000 impressions = Poor signal

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RED FLAGS THAT MEAN STOP OR PIVOT

Immediate Red Flags (Stop within 48 hours):

- CTR under 0.5% after $50 spend
- Zero email signups after 100 visitors
- Zero inquiries after 200 local business visitors
- Cost per click 3x higher than benchmark

Week 1 Red Flags (Pivot approach):

- Signup rate under 5% consistently
- Zero paid conversions from 50+ signups
- Cost per signup 3x higher than benchmark
- High bounce rate (80%+) on landing page

Week 2 Red Flags (Consider parking):

- No improvement after messaging/audience pivots
- Conversion rates under 1% to any paid action
- Customer acquisition cost higher than profit margins
- Negative feedback patterns in comments/messages

GOOD SIGNALS THAT MEAN PROCEED

Strong Positive Signals:

- CTR 2x above benchmark consistently
- Signup rate 20%+ across traffic sources
- 5%+ conversion from signups to paid actions
- Organic referrals/shares happening without prompting

Moderate Positive Signals (Keep testing):

- CTR at or slightly above benchmark
- Signup rate 10-20%
- 2-5% conversion to paid actions
- Positive feedback but low conversion

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