

Funnels

Business & Management

Where users drop out, and the arithmetic of stacked conversion rates.

Overall conversion is the product of every step's conversion rate.

$$\text{total} = r_1 \times r_2 \times r_3 \times \dots$$

Five steps at 80%

0.8^5 .

33%

Improve one step 80% → 90%

A 12% relative gain overall.

37%

Remove a step entirely

Often the largest single win.

41%

THE COMMON MISTAKE

✗ **Optimising the step with the lowest rate**

✓ **Optimising where the most users are lost in absolute terms**

A 20% step at the very end loses few people. A 90% step at the top loses many more.

The biggest funnel improvement is usually deleting a step, not optimising it.