Why more traffic won't help

Learning objective: You'll distinguish linear traffic growth from multiplicative conversion improvement, calculate CAC increases and margin erosion against CRO returns, and recognize the traffic ceiling and the compound effect of consistent optimization.

Key Takeaways

- More traffic scales linearly and gets more expensive as budget increases.
- Conversion optimization has a multiplying effect across every channel and every visitor.
- CRO lowers your effective acquisition costs and permanently improves your margins.

Framework steps

1. **More Budget**
2. **Same Conversion Rate**
3. **Shrinking Margin**
4. **Linear vs. Multiplicative**
5. **CAC vs. CRO**
6. **Traffic Ceiling**
7. **Compound Effect**

Key points at a glance

CONCEPT

Linear growth: buying more traffic

Every additional click costs money, and usually each next click costs more.

CONCEPT

Multiplicative growth: optimizing conversion

A higher conversion rate makes every single visitor more valuable.

CONCEPT

CAC vs. CRO: two different economic logics

Customer acquisition cost rises as markets get more

CONCEPT

Margin erosion: where the extra revenue disappears

With paid traffic, it's not just the cost per click that

working

Every audience and every keyword has a limited monthly search volume.

A 10% improvement per quarter doesn't stack additively, it stacks multiplicatively.

How to use this job aid: Use it as a quick reference before you tackle a campaign, an audit, or a strategy decision. The takeaways and the decision matrix help you focus quickly and avoid common mistakes.