

Marketing KPI Cheat-Sheet

These are commonly used formulas to measure profitability, customer value, customer satisfaction and user engagement. Use this resource to quickly reference common KPI formulas.

Customer Value and Profitability

$$\text{Acquisition Margin} = \frac{\text{CLV}}{\text{CAC}}$$

This is a good measure of the overall effectiveness of the marketing and sales teams.

Customer Acquisition Cost (CAC)

Measures the capital expended to acquire a new customer

$$\text{CAC} = \frac{\text{Total Marketing \& Sales Expenses}}{\text{Number of Customers Acquired}}$$

Return on Ad Spend (ROAS)

Return on ad spend measures the net revenue impact of a campaign

$$\text{ROAS} = \frac{\text{Revenue from Campaign}}{\text{Ad Spend on Campaign}}$$

Customer Lifetime Value (CLV)

Used to project the amount of gross profit a new customer will generate. If you don't know your gross margin, just multiply the first three numbers (APV * APF * ACL)

$$\text{CLV} = \text{Avg Purchase Value} * \text{Avg Purchase Frequency} * \text{Avg Customer Lifespan} * \text{Gross Margin}$$

$$\text{Average Purchase Value} = \frac{\text{Net Revenue}}{\text{Net Purchases}}$$

$$\text{Average Purchase Frequency} = \frac{\text{Sum of Purchases}}{\text{Sum of Customers}}$$

$$\text{Average Customer Lifespan} = \frac{\text{Sum of Customer Lifespans}}{\text{Number of Customers}}$$

$$\text{Gross Margin} = \left(\frac{\text{Net Revenue} - \text{COGS}}{\text{Net Revenue}} \right) * 100$$

Expresses gross margin as a percentage measuring a company's profitability against variable costs. This shows how well a company can cover their fixed costs.

Customer Retention and Satisfaction

$$\text{Churn Rate} = \frac{\text{Customers at Start of Period} - \text{Customers at End of Period}}{\text{Customers at End of Period}}$$

Measures the percentage of customers lost over a specified period of time.

Net Promoter Score (NPS)

The percentage of customers likely to promote your brand

$$\text{NPS} = \frac{\% \text{ of Promoters}}{\% \text{ of Detractors}}$$

$$\text{Retention Rate} = \left(\frac{\text{Customers at End of Period} - \text{Customers Acquired During Period}}{\text{Customers at Start of Period}} \right) * 100$$

Measures the percentage of customers retained over a specified period of time.

User Stickiness

Daily Active Users (DAU)

Number of users active in a single day

Weekly Active Users (WAU)

Number of users active in a week

Monthly Active Users (MAU)

Number of users active in a month

$$\text{DAU/MAU} = \frac{\text{Average DAU During Month}}{\text{MAU}}$$

This measures how often users are returning to your app in a given month

$$\text{WAU/MAU} = \frac{\text{Average DAU in a Week}}{\text{WAU}}$$

Measures how often users are returning to your app or website in a given week.