

KPIs and Metrics To Optimise Your Ecommerce Business Marketing



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Tracking ecommerce KPI metrics in your marketing efforts

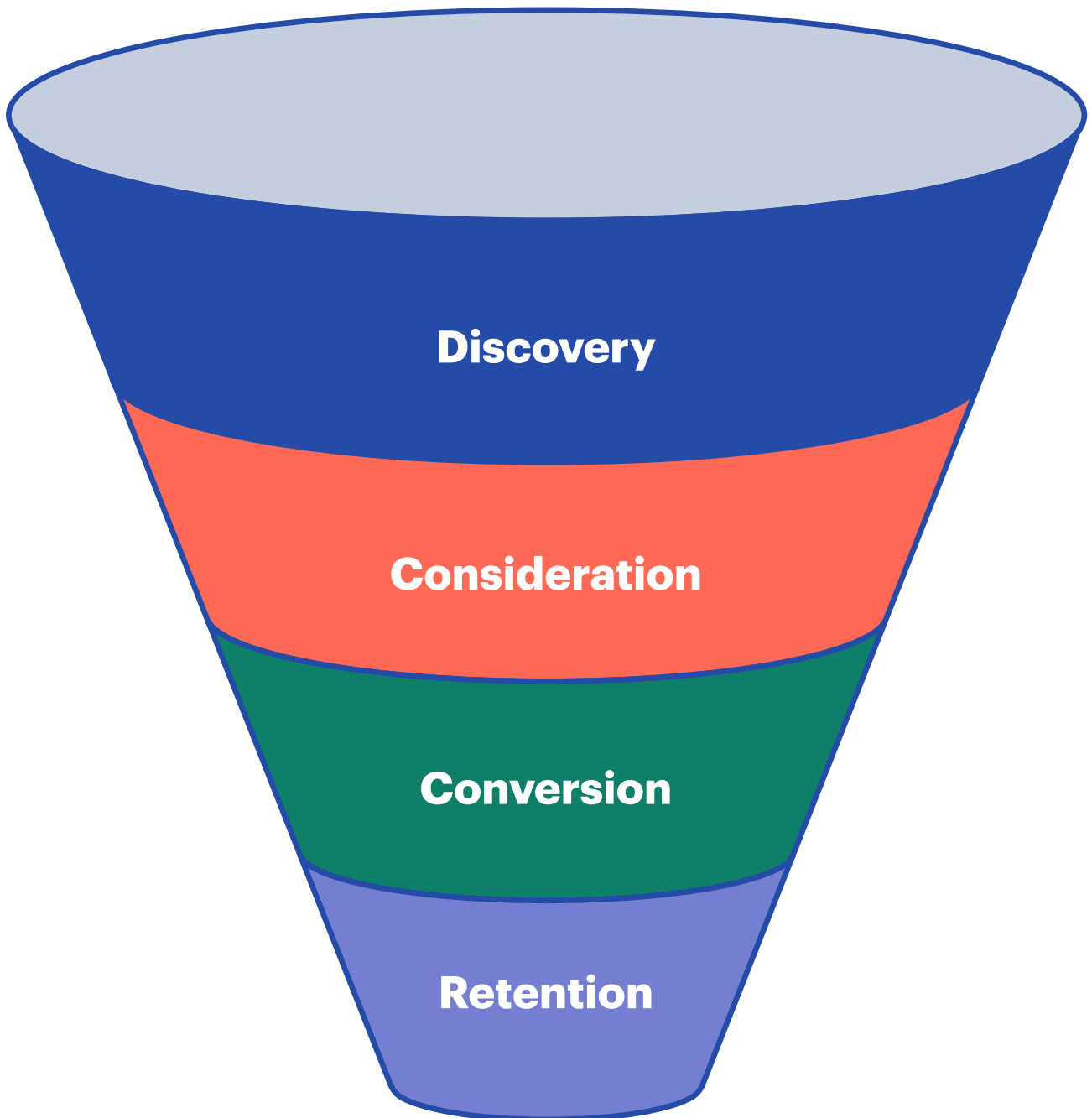
How do you know your business is doing well? Or the new growth tactic you applied a month ago is taking your business in the right direction? The answer is by having precise data of all your business activities. If you're a growing ecommerce business, this guide will help you to track and maximise your marketing efforts.

Many ecommerce key performance indicators (KPIs) are readily available to help you quickly measure your business operations. Studies show that business leaders are [1.4 times more likely to use ecommerce KPI metrics](#), including product search demand, to settle on important business decisions when it's hard to measure the results directly.

Plus, [95% of global leading ecommerce businesses](#) state that marketing analytics key performance indicators should be a part of future business goals.

The presence of so many data and analytics tools can be overwhelming if you're not sure what to measure. Let's start by linking your business with an analytics platform like Google Analytics. This tracks all of your website and marketing campaigns so you can quickly get insights into activity and performance. It's also easy [to create a QR code](#) for your business using any reputable QR-generating website, which gives you even more scope for tracking.

The marketing funnel





Discovery KPIs

Now you've got tracking in place, you need to know what you're looking at. Focusing on a couple of KPIs for your business will help you cut through all the data and insights so you can follow specific targets throughout each stage of the marketing funnel.

At the discovery stage, you need to focus your marketing efforts on driving your brand's awareness and generating demand for your services or products. Potential customers are just learning about your business, so you should focus on ecommerce metrics and KPIs that reveal the sources of your new visitors, how often they visit, and why they're interested in engaging with your content.

Here are the **top ecommerce metrics and KPIs** for the discovery stage:

Sources and channels of traffic

Thoroughly review traffic sources (search engine or domain) and traffic medium (cost per click, organic search) to see where your customers are coming from. Acquisition device reports can be helpful to check the number of internet users that visit your ecommerce website through a tablet, desktop, and mobile. Currently, around a third of ecommerce business sales take place on mobile.

Organic traffic filter

This is one of the most important ecommerce metrics for online stores that depend on incoming traffic from search engine optimisation and blogs. It shows the number of people finding you through organic search. Tracking organic traffic indicates an online website's performance, authenticity, and authority.

SEO keyword positions

Having high-ranking SEO keywords brings more visibility to your online store, attracting genuine customers and resulting in higher business revenue. You can use tools like Semrush to track keyword rankings over time.

Ad impressions

This lets you review the number of times users come across your adverts on Instagram, Facebook, or Google AdWords.

Ad frequency

This indicates how many times a user has seen your advert. It's important to have a selection of different creative ads because higher ad frequency can lead to audience fatigue — in other words, they'll get bored of seeing the same thing and your ad will lose its impact.

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Consideration KPIs

The consideration stage of the marketing funnel focuses on increasing the engagement of existing and potential customers. The most important ecommerce metrics involve incoming engagement through email, traffic, and social media.

Website sessions

This is the number of visits to your website. It records all the interactions of a particular user within a 30-minute time frame.

Pages per session

This refers to the number of pages a user views on your website each time they visit. The higher the number of pages per session, the more users are exploring your website. Two pages per session is typically considered good.

Bounce rate

This percentage indicates the users who leave your website after visiting a single page. A lower bounce rate implies that visitors stay for a considerable period on your website and read your content — a higher bounce rate implies that users aren't finding anything to engage them, so they leave quickly.

As with all analytics, take care to consider the context carefully. If you're not offering a website or service that requires users to ideally move from one of your webpages to another, a high bounce rate might be a good thing — it could indicate that the user is getting what they need from you quickly and efficiently.

Average session duration

This is the amount of time a user stays on your website, on average, and is measured in seconds. A high session duration means your content is relevant and engaging, so users are staying to read and absorb information.

Click-through rate (CTR)

You can measure the success of marketing and social campaigns by tracking the click-through rate. This is the percentage of users who click through your advert to your website. The higher the rate, the more successful your adverts are in driving traffic to your website.

Email engagement metrics

Your content is relevant and valuable to users if they agree to provide their email address or sign up for your site.

Email list growth rate

Email lists on your website should increase over time. To find the status of your email list, you can use the following formula:

$$\frac{\text{total new subscribers} - \text{unsubscribers}}{\text{total email address on the list}}$$

Email open rate

This measures the percentage of users who receive and open an email from you. If your email open rate is decreasing, users aren't finding your email content engaging, so you might need to look at refreshing your subject lines and content. Use this formula to measure your email open rate:

$$\frac{\text{unique opened emails}}{\text{total sent emails} - \text{total bounced emails}}$$

Email click-through rate (CTR)

This is the percentage of email recipients who clicked on links in your email. A higher email CTR shows that your customers are interested in your content or product, as well as indicating a high possibility of conversion. To find your email click-through rate:

$$\left(\frac{\text{total number of clicks}}{\text{total email deliveries}} \right) \times 100$$

Email conversion rate

This is the percentage of email recipients that buy products after clicking on links in your email. Use this formula to check your email conversion rate:

$$\left(\frac{\text{sales total through emails}}{\text{total email deliveries}} \right) \times 10$$

Email unsubscribes

Being aware of the rate of users unsubscribing to your emails is helpful in evaluating the growth rate of an email listing. If more users are unsubscribing to your content, then you'll probably need to redesign your email marketing campaign to make the content more appealing.

Social media metrics

Studies indicate that brands are [1.5 times more](#) likely to make use of metrics learning in their digital marketing efforts and social networking investment in the near future.

Engagement rate

As per the social channels you're using to market your products, you can use multiple techniques to examine your brand's overall user engagement through social networking sites. Engagement indicators involve metrics like the number of comments, likes, saves, clicks, shares, and profile visits. If your audience finds your content engaging, your brand will have a higher social media engagement rate.

Impressions

Visibility is key to the success of your marketing efforts in the social media space. To check your brand visibility, keep track of the number of post impressions, which refers to the number of times your post is shown on social channels. You can increase impressions if you use relevant hashtags, or tag and mention other users in your posts.

Clicks

With a click-through metric, you'll be able to determine how many users are clicking on your posts, which you can use to see which topics your users find most interesting.

Followers

Growth in followers implies your brand is capturing the attention of more potential customers. To determine the performance of your social posts, compare your engagement rate to your follower growth.



Conversion KPIs

The ultimate aim of any ecommerce business strategy is to generate sales and your marketing campaigns can help you uncover sales strategies and trends to convert users into regular buyers. Here are the top ecommerce KPI metrics for conversions:

Cost of customer acquisition (CoCA)

This is how much it costs your business to acquire a new customer, and it helps you evaluate the value of your marketing efforts. To work out your CoCA, add the costs of services, overhead, marketing, and software and divide it by the total number of acquired consumers.

Return on ad spend (ROAS)

See which ad campaigns are returning better value for your investments by measuring ROAS. You can calculate this metric by dividing the revenue by cost, to make sure you're using your money in the best way.

Number of online transactions

This is a crucial ecommerce metric for evaluating sales KPIs. Ensure you run a monthly and yearly analysis as well as monitoring the success rate of discounts.

Average order value (AOV)

By keeping track of your AOV, you can drive sales trends and increase the company's income over time. To boost your AOV, you need to consider bundle sales or incorporate an upsell widget for promotions of related items when buyers are checking out.

Rate of cart abandonment

This is the percentage of users who add items to their online cart but never check out. You can get an overview of cart abandonment rates on your website by looking up the platform. To minimise cart abandonment, you can use remarketing ads or send emails to remind your customers about their cart to regain their interest.

Ecommerce conversion rate

The conversion rate for your business refers to the user percentage that converts into customers. The standard ecommerce site conversion rate is around [1.6%](#). To learn about the conversion rate for your brand, use this formula:

$$\frac{\text{total number of sales}}{\text{total number of sessions}}$$

Sales generation by channel

Some channels will be more successful than others for your business. You can optimise which channels you use and how much you invest in them by analysing which generate the higher number of sales.



Retention KPIs

One of the crucial points for developing and scaling your brand is repeat business. Studies say that an increase of [just 5% in customer retention](#) can boost revenue by 25-95% for an ecommerce brand.

Retaining customers is much more cost-effective in the long term and also provides the opportunity to build customer loyalty. Here are the top ecommerce metrics and KPIs that you need to consider for customer retention:

Average customer lifetime value (CLV)

This is how much a customer is worth to your business over their lifetime — and it's a cornerstone KPI for retention. You can measure your CLV by determining the total amount that a buyer spends on your brand in their lifetime. Your average CLV must be higher than your acquisition cost per customer. Use the following formula:

$$\text{average order value} \times \text{order frequency}$$

Repeat purchase rate

This is the number of repeat buyers in your entire consumer base. It refers to satisfied buyers that help to increase your brand profitability, so it's one of the most essential ecommerce metrics. The general formula to calculate repeat buyer proportion is:

$$\frac{\text{total buyers that have purchased products from your brand more than once}}{\text{total number of consumers}}$$

Analysis of order gap

This metric shows how long customers take between separate purchases. Having insights on order gaps will help you regulate marketing automation for your brand. For example, if you know your customers generally order again in two weeks, you can send automatic email prompts every week and a half. The formula for calculating your order gap is:

$$\frac{365}{\text{average duration between purchases (purchase frequency metric)}}$$

Return on investment (ROI)

ROI is a clear indication of the success of marketing efforts. It's the metric that shareholders and CEOs want to know so they can see if the marketing efforts are working. To calculate your ROI, you can use a simple formula:

$$\frac{\text{gross profit}}{\text{total percentage of investment}}$$

Note that the outcomes of your ROI formula can differ depending on the way your brand runs its operations.

The bottom line

These ecommerce metrics and KPIs can help you focus and measure the performance of your marketing efforts. However, you'll need to regularly screen and update KPIs to keep up with the competition. Make sure you're recording data from all applied KPIs and metrics using a single spreadsheet.

As your business grows, you may also find that you need an accounting service to keep up with your transactions, and an accountant that understands how ecommerce works. [Our team of experienced accountants](#) will convert statements from ecommerce platforms into books, giving you accounting services, tax filings, and profitability reports. [Talk to us to find out more.](#)



Got any questions?
[Chat with us](#) today!

