Top 5 KPI's You Need To Know to Scale Your DTC Brand

Take your DTC brand from stagnant marketing results to year after year growth.

TAKE FLIGHT MARKETING
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As we begin 2021 there is one thing we know for sure: e-commerce is king. Consumers are moving away from shopping at brick and mortar stores and aiming more and more of their purchasing power at online retailers.

As competition increases in the digital space, it has never been more important to understand your customer and the way they interact with your brand, move down your advertising funnel, and ultimately make a purchase.

Below are the most important KPIs to understand in order to gain insight into the customer journey and pull the right levers to more efficiently allocate your ad spend and acquire new customers to grow your business.

1. CPC - *Cost Per Click*

CPC is the measure of how much you have to pay in order for a consumer to click on and/or interact with your ad. A low CPC tells you that you are reaching the right people and that they are interested in the product/service that you are offering. Getting cheap clicks to your website is the first step to the cost-efficient acquisition of new customers.

Formula: Spend/Clicks

2. CVR - *Conversion Rate*

CVR measures the rate at which website visitors convert and become paying customers. A high CVR comes from driving qualified traffic to your website and making the onsite experience match the experience of the ad/piece of content that drove them there (this includes messaging, design, and offers. Sometimes a dedicated landing page is necessary to accomplish this.) Another important piece of conversion rate is ensuring that you use actionable language, include lots of clickable CTAs, and make sure that there are no barriers to purchase. It is always a good idea to audit your website and go through the path to purchases so you can see what your customers see and identify pain points - don't forget to do this on your phone as well because over 80% of web traffic is mobile!

Formula: Purchases/Website Sessions

3. ROAS - *Return On Ad Spend*

ROAS is the measure of how many dollars you drive in revenue for every dollar you spend on advertising. Many brands in e-commerce use ROAS as one of the most important measures of success because at the end of the day they want to make sure the ad dollars they spend are driving revenue.

ROAS is a great measure of the efficiency of your advertising programs because other metrics can vary based on a number of factors (vertical, product offerings, pricing) but ROAS will always show you the return you are getting on your investment.
Formula: Revenue/Spend

4. CAC - *Customer Acquisition Cost*

CAC measures how much it costs to acquire a brand new customer. As your business grows it is important to make sure that you are not paying more to acquire a customer than the revenue you will receive in return from their lifetime as your customer.
Formula: Spend/New Customers Acquired

5. CLV - *Customer Lifetime Value*

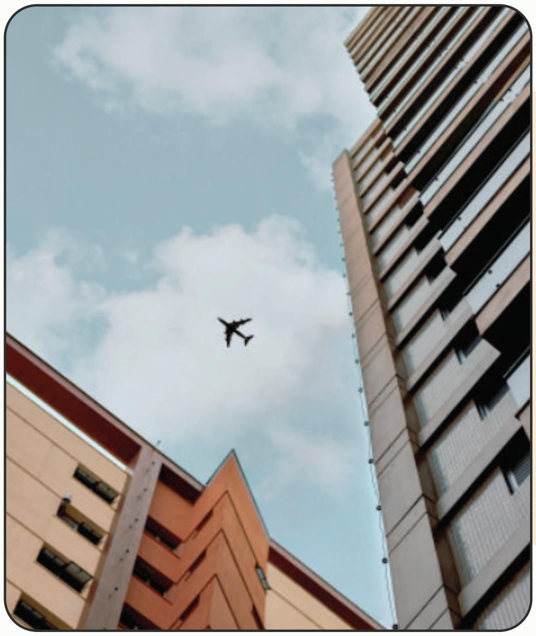
CLV is the measure of how much revenue you can expect to generate from a single customer over the lifetime of their relationship with your brand. You always want to ensure that customers are spending more with you than you are allocating in ad spend to acquire them (a good benchmark to shoot for here is having a CLV that is at least three times higher than your CAC.)

Formula: (Avg. Order Value x Purchase Frequency) x Customer Lifetime Length

Are You Ready To Grow Your Business?

From the creative and copy in the ads you run to the conversion rate on your site, acquiring new customers is a multi-step process with a lot of important metrics to keep an eye on.

REQUEST AN AUDIT



Our dedicated team at Take Flight Marketing is ready to work with your DTC business to combine our expertise and industry best practices with your business goals to create custom strategic solutions that will grow your business and revenue!