

KPIs for eCommerce: Understanding Your Overall Performance

Ultimate goals for evaluating your eComm metrics is understanding:

- (1) the overall trajectory (growth) of your revenue and profits.
- (2) the unit economics (per order / unit revenue, costs, and profits) of your business.
- (3) understand how marketing spend it takes to acquire a new customer (CAC).
- (4) how much a customer purchases over their lifetime (lifetime value or LTV) and how that relat

Who this video is for: e-commerce founders / builders who want to track the most important met

Part 1: overall trajectory / growth of your revenue & profits.

Question: is your revenue increasing, are your margins predictable & are you becoming more effici

Are you profitable? eCommerce businesses in general should be profitable, at least on each order (:

	Summary Financials		
	Jun-26	Jul-26	Aug-26
New Customers	1,123	1,431	1,464
Returning Customers	97	275	515
Total Customers	1,220	1,706	1,979
New Customer Orders	1,234	1,555	1,627
Returning Customers Orders	122	341	572
Total Orders	1,356	1,896	2,199
Units Sold	1,492	2,067	2,529
Net Revenue	\$ 3,14,592	\$ 4,56,936	\$ 5,23,362
Revenue Growth Rate		45%	15%
<u>COGS</u>			
Product cost	\$ 59,458	\$ 81,792	\$ 92,635
Import freight	7,865	15,536	15,701
Import duties & taxes	16,988	27,416	30,355
COGS (Product)	\$ 84,311	\$ 1,24,744	\$ 1,38,691
Gross Margin	\$ 2,30,281	\$ 3,32,192	\$ 3,84,671
<u>Fulfillment</u>			
Shipping to customer	\$ 51,908	\$ 77,679	\$ 90,018
Pick, pack, packaging	9,752	10,053	15,701
Other 3PL charges	16,988	27,416	30,355
Merchant fees	16,988	27,416	30,355
Fulfillment	\$ 95,636	\$ 1,42,564	\$ 1,66,429

Contribution Margin	\$	1,34,645	\$	1,89,628	\$	2,18,242
Marketing Expenses	\$	91,861	\$	1,75,920	\$	1,62,242
Post-Marketing CM	\$	42,785	\$	13,708	\$	56,000
Other OPEX	\$	19,190	\$	23,761	\$	22,505
Operating Income	\$	23,594	\$	(10,053)	\$	33,495
D&A	\$	315	\$	822	\$	785
EBITDA	\$	23,909	\$	(9,230)	\$	34,280

Part 2: understand the unit economics of your business.

Question: how much profit do you make after selling, producing & fulfilling an order? What are the

Unit Economics Definition: per order financial breakdown of a product.

Unit Economics Per Order	Total Sales (All Products)		
	Jun-26	Jul-26	Aug-26
	All-Company	All-Company	All-Company
Revenue (Per Order) - AOV	\$ 232	\$ 241	\$ 238
Product COGS	\$ 62	\$ 66	\$ 63
Gross Profit	\$ 170	\$ 175	\$ 175
Fulfillment	\$ 71	\$ 75	\$ 76
Contribution Margin	\$ 99	\$ 100	\$ 99

Unit Economics Per Unit	Top Selling Products	
	Product A	Product B
	60% of sales	25% of sales
Revenue (Unit)	\$ 230	\$ 122
Product COGS	\$ 67	\$ 17
Gross Profit	\$ 163	\$ 104
Fulfillment	\$ 72	\$ 30
Contribution Margin	\$ 92	\$ 74

Part 3: understand how much marketing spend it takes to acquire a new customer (CAC)

Customer Acquisition Cost (CAC): how much spend in marketing to get one new customer to purc

	Jun-26	Jul-26	Aug-26
New Orders	1,234	1,555	1,627
Marketing Expense	\$ 91,861	\$ 1,75,920	\$ 1,62,242
CAC (Marketing / New Orders)	\$ 74	\$ 113	\$ 100

Part 4: how much a customer purchases over their lifetime (lifetime value) and how the

Customer Lifetime Value Definition: how much does a customer generate in profit for the company

Customer Retention Cohort Definition: table which shows how customers purchase over time, organized by cohort

Customer Retention Cohort			
	Cohorts (Units)		Cus
	<u>M1 Customers</u>	<u>M1 (Orders)</u>	<u>M2</u>
Mar-26	167	238	38
Apr-26	436	580	88
May-26	659	905	78
Jun-26	1,123	1,234	256
Jul-26	1,431	1,555	361
Aug-26	1,464	1,627	

Customer Lifetime Value	<u>First Order</u>	<u>Lifetime</u>	
Customers	1.00	1.00	
Orders / Customer	1.00	1.98	<i>*Will this number</i>
Revenue	\$ 238	\$ 469	
Product Cost	\$ 64	\$ 126	
Fulfillment	\$ 74	\$ 147	
Contribution Margin	\$ 100	\$ 197	<i>* Customer Lifetime</i>
New Order CAC	\$ 97	\$ 97	
CM: CAC Ratio	1.02	2.02	
Are we profitable?	Yes	Yes	
Post-Marketing CM	\$ 2	\$ 99	

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some exceptions if they are subscription-based)

% of Net Rev		
Jun-26	Jul-26	Aug-26

100.0% 100.0% 100.0%

18.9% 17.9% 17.7%

2.5% 3.4% 3.0%

5.4% 6.0% 5.8%

26.8% **27.3%** **26.5%**

73.2% **72.7%** **73.5%**

16.5% 17.0% 17.2%

3.1% 2.2% 3.0%

5.4% 6.0% 5.8%

5.4% 6.0% 5.8%

30.4% **31.2%** **31.8%**

42.8%	41.5%	41.7%
29.2%	38.5%	31.0%
13.6%	3.0%	10.7%
6.1%	5.2%	4.3%
7.5%	-2.2%	6.4%
0.1%	0.2%	0.2%
7.6%	-2.0%	6.6%

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conomics of your most important products?

Overall
<i>All-Company</i>
\$ 238
\$ 64
<hr/>
\$ 174
\$ 74
<hr/>
\$ 100

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hase for the very first time.

Overall
4,416
\$ 4,30,023
\$ 97

at relates to CAC.

ny over their entire lifetime of purchases.

ganized in groups of customers who have the same initial purchase month.

Customer Retention Cohort

<u>M3</u>	<u>M4</u>	<u>M5</u>	<u>M6</u>	<u>Avg Orders</u>
22	15	11	6	1.98
29	18	12		1.67
56	35			1.63
158				1.47
				1.34
				1.11

Customer LTV Analysis

be higher? Possibly.

Life Value = lifetime contribution margin (or gross margin) per customer.







/ Customer

