**1)**

Tracking key metrics is essential for evaluating the performance of a platform like Codacy Quality and identifying areas for improvement. A focused set of key performance indicators (KPIs) provides a clear view of business health, covering growth, revenue, operational efficiency and customer satisfaction.

Here’s a streamlined list of essential metrics, grouped by category:

**Growth**

Measures the company’s ability to attract and retain customers:

* **Customer retention rate:** Percentage of customers who stay over time.
* **Churn rate:** Percentage of customers who cancel the service.
* **Customer Acquisition Cost (CAC):** Cost to acquire a new customer.

**Financials**

Provides a clear view of revenue and customer value:

* **Annual Recurring Revenue (ARR):** Predictable revenue from recurring contracts.
* **Monthly Recurring Revenue (MRR):** Predictable revenue from recurring contracts each month.
* **Lifetime Value (LTV):** Total value generated from a customer over time.

**Operational Efficiency**

Reflects how efficiently the product and development processes are running:

* **Average time to approve PR:** Time to review and approve code changes.
* **Test coverage:** Percentage of code covered by automated tests.
* **Mean Time to Resolution (MTTR):** Average time to fix a critical bug.

**Satisfaction**

Measures customer engagement and loyalty:

* **Net Promoter Score (NPS):** Measures how likely customers are to recommend the product.

**2)**

Evaluating the effectiveness of marketing campaigns requires focusing on three key areas:

**Direct Performance**

Measures how well the campaign generated engagement and conversions.

**Main Metrics:**

* Digital

Click-Through Rate (CTR), Conversion Rate, Cost per Acquisition (CPA).

* Offline

Leads generated, Post-event conversion rate.

**Return on Investment (ROI)**

Measures whether the campaign generated value relative to the investment.

**Main metrics:**

Return on Investment (ROI), Customer Lifetime Value (LTV), Payback Period.

**Engagement**

Measures the campaign’s impact on customer perception and interaction.

**Main metrics:**

Social media engagement, Retention rate, Net Promoter Score (NPS).

**3)**

LTV is key to understanding the customer lifecycle and building retention strategies. A high LTV indicates that the company is not only retaining customers but also turning them into loyal advocates of the brand.

Increasing the LTV means customers are generating continuous value, contributing directly to the business's sustainability and profitability. Loyal customers tend to stay longer and increase their spending over time, boosting total customer value without the need for constant acquisition.