

A PRACTICAL CHECKLIST

KPIs and Metrics in Marketing

A desk reference: metrics, formulas, analytics, unit economics, channels, and diagnostics — for marketers, paid social and PPC specialists, social media managers, SEOs, and performance marketers.

150+ metrics and terms

Meta · Google · TikTok Ads

GA4 · UTM · CRM · Attribution

Diagnostics and how metrics connect

Formulas · Benchmarks · Glossary

Open the page you need and, in 1–3 minutes, get the meaning, the formula, the context, and what to do next

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Introduction. How to use this checklist

A marketer who can't do the math isn't a marketer — just a cost center. This checklist turns a pile of cryptic acronyms into a working tool you'll use to make decisions every day.

Over the past few years, the job titles have multiplied: marketer, paid social specialist, social media manager, media buyer, performance manager. Everyone works with ads, but each speaks a slightly different dialect of the same language — the language of metrics. Then a client asks, "Why did we spend \$200,000 and get so few sales?" And that's when it becomes clear who really understands what's going on and who just "launched campaigns."

Metrics aren't for reports. They're for answering four questions:

- **Is this working at all?** — are the ads paying off or burning through the budget?
- **Where's the bottleneck?** — expensive clicks, weak creative, a bad website, or a problem in sales.
- **Where should more money go?** — which channel to scale and which to switch off.
- **How much can we pay for a customer?** — the line beyond which growth starts losing money.

The book follows the logic of the funnel — top to bottom, from the first ad impression to the repeat purchase:

- **Parts 2–3** — top of the funnel: impressions, clicks, engagement. This is home turf for paid social specialists and social media managers.
- **Part 4** — the middle: turning attention into inquiries and leads.
- **Part 5** — the bottom, and the part that matters most: money, payback, unit economics. This is where the marketer talks to the business owner.
- **Part 6** — what happens after the first purchase: retention and loyalty.
- **Parts 7–10** — how it all fits together: funnels, attribution, reports, channels, strategies, and copywriting.
- **Parts 11–17** — deep dives by channel: Meta Ads, Google Ads, TikTok, GA4, UTMs, CRM, email, SEO.

- **Parts 18–20** — attribution and incrementality, advanced unit economics, diagnostics, and metric maps.
- **Appendices A–F** — formulas, benchmarks, a glossary of 150+ terms, metrics people mix up, how metrics connect, and quick reference pages.

You don't have to read it cover to cover. This is a **checklist and reference**: find the metric or section you need in the contents, and in 1–3 minutes you'll get the meaning, the formula, the context, what to look at alongside it, what it affects, and what to check when it goes sideways.

HOW EACH METRIC IS LAID OUT

For every metric you'll find **what it means in plain English, the formula, an example with real numbers**, and, where it makes sense, **a benchmark** — the range that's considered normal. Don't try to memorize the formulas: keep this checklist handy and come back to the page you need.

One warning up front: **any metric without context lies**. Is a 5% CTR good or bad? It depends on the platform, the offer, and the goal. That's why throughout the book we give you not just the formula but how to read the value and what to compare it with. Let's get started.

PART 1

The language of metrics: the basics

Before you count money, you need to agree on the words. What a metric is, how it differs from a KPI, why leading indicators matter, and how to set goals you can actually measure.

1. What a metric is and what a KPI is

A metric is any number you can measure: clicks, cost per lead, follower count. There are thousands of metrics. For any given task, you don't need most of them.

A KPI (key performance indicator) is one of the few metrics that directly show whether you're hitting your goal. The key word is *key*. A KPI is a metric that's been promoted to the one that matters.

AN EXAMPLE OF THE DIFFERENCE

You run a coffee shop's Instagram account. **Metrics**: likes, reach, comments, saves, link clicks, follows. **KPI**: the number of people who came into the shop with a promo code from the profile. Likes are nice, but the business doesn't get paid for likes. A KPI is what the business gets paid for.

The same metric can be a KPI in one project and a secondary metric in another. For a creator, reach is a KPI. For an online store, reach is a supporting metric, and the KPIs are revenue and ROAS.

Vanity metrics vs. actionable metrics

Vanity metrics look great in a report but don't help you make decisions. The classic examples are total follower count and "total reach." They go up, everyone's happy, and sales stay flat.

An actionable metric answers the question "So what do I do now?" If the number changed but your actions didn't, it's a vanity metric.

THE VANITY METRIC TEST

Ask two questions: (1) If this number doubled, would the business make more money? (2) Can I influence it directly through what I do? If the answer to either one is no, you're most likely looking at a vanity metric. Show it in the report as context, but don't base decisions on it.

Absolute and relative metrics

Absolute metrics are simple counts: 1,200 clicks, 45 leads, \$300,000 in revenue. They tell you about scale, but you can't use them to compare campaigns of different sizes.

Relative metrics are ratios and percentages: CTR, conversion rate, ROAS, cost per lead. They're what let you compare: channel A is more efficient than channel B, even if B brought in more clicks, because each click from A cost less and turned into leads more often.

THE RULE

Make decisions based on **relative** metrics (efficiency) and judge scale with **absolute** ones (how much in total). A good report always includes both: "45 leads at \$670 each" tells you more than "45 leads."

2. Leading and lagging indicators. The North Star metric

Lagging metrics show a result that has already happened: monthly revenue, number of sales, campaign ROI. They're honest, but you find out about them late — when it's too late to change anything.

Leading metrics are early signals that predict a future result. You can catch them today and still have time to react.

HOW THEY CONNECT

The lagging metric is **monthly revenue**. Leading metrics that predict it: leads per week, cost per lead, call-to-sale conversion rate. If leads cost twice as much in week two, you already know revenue will dip — and you can step in without waiting for the end of the month.

A good specialist manages leading metrics every day and reports on lagging ones. You can't "manage revenue" directly — you can only manage the factors that lead to it.

The North Star Metric

A **North Star Metric (NSM)** is the one metric that best captures the value your product delivers to customers and that's tied to business growth. The point is to get the whole team looking in the same direction.

Type of business	Possible North Star
Online store	Number of repeat orders per month
SaaS product	Number of active users who complete the key action
Marketplace	Number of successful transactions between buyers and sellers
Media / content	Time spent with content (watch time)
Mobile app	DAU / MAU — the share of users who come back every day

Your NSM isn't directly about ads — it's about the reason you run ads in the first place. Keep it in mind: it protects you from "we got cheap traffic, just not the right people."

3. How to set goals and break down a plan

A metric without a goal is just a number. Is a 2% CTR good? There's no way to know until you have a plan to compare it with.

SMART goals

A workable goal is specific, measurable, achievable, relevant, and time-bound. Bad: "increase sales." Good: "get 120 leads at no more than \$700 each during October on an \$84,000 budget."

Breaking it down: from money to impressions

The core skill is breaking a business goal down into intermediate metrics and checking whether the plan is realistic. You work from the goal back to the top of the funnel.

A WORKED BREAKDOWN

Goal: **\$500,000 in revenue** from ads this month.

Average order is \$5,000 → you need **100 sales**.

Lead-to-sale rate is 25% → you need **400 leads**.

Website click-to-lead rate is 4% → you need **10,000 clicks**.

Average CPC is \$20 → you need a **\$200,000** budget.

Average CTR is 1.5% → you need **~667,000 impressions**.

Now it's clear: to make \$500K, you need to invest \$200K and deliver 667K impressions.

Whether that's realistic for your audience is now a concrete conversation.

WHY THIS SKILL MATTERS

A breakdown instantly shows where the plan falls apart. If your audience physically can't generate 667,000 impressions a month, the goal is out of reach — and you need to say so *before* launch, not at the end. It also shows you where to grow: raise the site's conversion rate from 4% to 5%, and the same budget brings in a quarter more sales.

PART 2

Traffic and reach metrics

The top of the funnel. How many people saw the ad, how many times, how many clicked, and what each touchpoint cost. Home turf for paid social specialists and media buyers.

4. Impressions, reach, frequency, CPM

Impressions • Impressions

How many times the ad was shown in total, including repeat views by the same person. If one user saw the ad 3 times, that's 3 impressions but 1 person reached.

Reach • Reach

Reach is how many *unique* people saw the ad at least once. It's always less than or equal to impressions. Reach answers "How many people did we get to?" while impressions answer "How many touchpoints did we create?"

Frequency • Frequency

The average number of impressions per person. The key metric for spotting audience burnout.

FORMULA

$$\text{Frequency} = \text{Impressions} \div \text{Reach}$$

EXAMPLE

90,000 impressions and 30,000 people reached → frequency = 3.0. On average, each person saw the ad 3 times.

WHEN TO WORRY

In performance campaigns, a frequency above **3–5** on a narrow audience signals ad fatigue: people are tired of the creative, CTR falls, and costs rise. The fix is new creative or a broader audience. On large brand-awareness campaigns, a higher frequency can be perfectly normal.

CPM • Cost per mille — cost per 1,000 impressions

What it costs to show your ad a thousand times. The baseline metric for the cost of traffic: it's how you compare how "expensive" a platform or audience is.

FORMULA

$$\text{CPM} = (\text{Spend} \div \text{Impressions}) \times 1,000$$

EXAMPLE

You spent \$6,000 and got 400,000 impressions → $\text{CPM} = (6,000 \div 400,000) \times 1,000 = \mathbf{\$15}$ per thousand impressions.

HOW TO READ IT

A high CPM isn't bad in itself: a narrow, affluent audience costs more, but it also brings in more. Always look at CPM alongside your final cost per lead. A cheap CPM with zero sales is worse than an expensive CPM that pays off.

5. Clicks, CTR, CPC

Clicks • Clicks

How many times people clicked on the ad. It's important to distinguish **all clicks** (which, on some platforms, include profile clicks and likes) from **link clicks** (visits to your site). For performance work, count link clicks — they're the ones that lead to money.

CTR • Click-through rate

The share of people who saw the ad and clicked. The main indicator of how well your creative and offer grab the audience's attention.

FORMULA

$$\text{CTR} = (\text{Clicks} \div \text{Impressions}) \times 100\%$$

EXAMPLE

1,500 clicks on 100,000 impressions → CTR = 1.5%. One and a half out of every hundred people who saw the ad clicked.

Platform / format	CTR benchmark
Search ads (Google / Bing)	3–6% and up (warm demand)
Meta / in-feed paid social	0.8–2%
Display / banner ads	0.05–0.2%
TikTok / short-form video	1–3%
Email (click rate)	2–5%

HOW TO READ IT

A low CTR is almost always a creative or targeting problem. A high CTR with expensive leads means you got attention, but from the wrong people — or you broke a promise ("clickbait"). CTR measures interest, not sales.

CPC • Cost per click

The average cost of one click. It directly affects your final cost per lead: cheaper clicks mean cheaper leads (at the same site conversion rate).

FORMULA

$$\text{CPC} = \text{Spend} \div \text{Clicks}$$

EXAMPLE

You spent \$30,000 and got 1,500 clicks → $\text{CPC} = \$20$ per click.

HOW THE METRICS CONNECT

CPC, CPM, and CTR are tightly linked: $\text{CPC} = \text{CPM} \div (\text{CTR} \times 10)$. The practical takeaway: to lower your cost per click, you don't have to hunt for "cheap traffic" — often it's enough to raise CTR with better creative. Doubling CTR at the same CPM cuts your CPC in half.

6. Website traffic: sessions, bounces, depth

Sessions / Visits • Sessions / visits

How many times people visited the site. One user can create several sessions. Don't confuse sessions with **users (unique visitors)** — those are distinct people.

Bounce Rate • Bounce rate

The share of visits where someone left without taking any meaningful action (in classic web analytics, they viewed one page and left; in GA4, a bounce is a session that wasn't engaged — under 10 seconds, with no key event and only one page view).

FORMULA

$$\text{Bounce Rate} = (\text{Bounces} \div \text{Total sessions}) \times 100\%$$

HOW TO READ IT

A high bounce rate on a landing page is a warning sign: either the traffic isn't a fit, the page is slow or confusing, or the ad promised one thing and the page delivers another. What's normal depends heavily on the page type: 30–50% for a landing page, while 70%+ can be fine for a blog.

Session Duration / Depth • Time on site and pages per session

How much time people spent and how many pages they viewed per visit. Indirect measures of engagement and traffic quality: if people arrive and leave right away, either the traffic or the page is bad.

IN PRACTICE

Always segment traffic by source. "Our average site conversion rate is 3%" is useless. Useful: "Search traffic converts at 6% and paid social at 1.2%, so the main job is either fixing the creative-to-landing-page match for paid social or shifting budget to search."

PART 3

Engagement metrics (social media)

Home turf for social media managers. How strongly the audience reacts to your content, whether it's growing, and whether people watch your videos to the end. This is where a "like" becomes something you can measure.

7. Engagement: ER, ERR, ER by reach

Engagement is how your audience interacts with content: likes, comments, shares, saves, clicks. Raw numbers ("200 likes") mean nothing without a baseline: 200 likes on 1,000 followers is excellent; on 500,000, it's a flop. That's why engagement is measured as a percentage — the engagement rate, or ER.

ER • Engagement rate

Basic ER is calculated against follower count: what share of the audience reacted.

FORMULA (ER BY FOLLOWERS, PER POST)

$$\text{ER} = (\text{Post engagements} \div \text{Followers}) \times 100\%$$

"Engagements" means the total of all interactions: likes + comments + shares + saves.

EXAMPLE

A post gets 320 likes, 40 comments, 25 shares, and 60 saves = 445 engagements. The account has 10,000 followers. $\text{ER} = (445 \div 10,000) \times 100\% = 4.45\%$.

ERR • Engagement rate by reach

A more honest metric: it measures engagement not against all followers but against the people who actually saw the post. In the age of algorithmic feeds, only a fraction of your followers see any

given post, so ERR reflects content quality more accurately.

FORMULA

$$\text{ERR} = (\text{Post engagements} \div \text{Post reach}) \times 100\%$$

EXAMPLE

The same 445 engagements, but only 4,000 people saw the post. $\text{ERR} = (445 \div 4,000) \times 100\% = 11.1\%$. By followers it was 4.45%; by reach, it's 11%. The content is good — the feed just didn't show it to everyone.

Account size	Good ER (by followers)
Under 5,000 followers	5–10%+
5,000 – 20,000	3–6%
20,000 – 100,000	1.5–3%
100,000+	1–2%

THE PATTERN

The bigger the account, the lower the ER — and that's normal: it's harder to engage a large audience as a whole. So only compare ER with accounts of similar size and subject matter. A sharp drop in ER on your own account is a sign that your content has stopped resonating.

8. Reactions, saves, shares, audience growth

Not all engagements are equal. Social platforms rank content by the "weight" of each action, and the "heavier" signals matter more for growth.

Action	What it shows	Value for reach
Like	Surface-level approval	Low
Comment	Willingness to put in effort; discussion	High
Share	People take your content to their own audience	Very high (grows reach)
Save	The content is useful; people will come back to it	Very high (quality signal)

SOCIAL MEDIA IN PRACTICE

Instagram's and TikTok's algorithms lean heavily on **saves and shares** — they say "this is worth showing to more people." That's why useful, save-worthy content (checklists, how-tos, roundups) grows organically better than entertainment that only collects likes. Set a goal for saves in your content plan, not just for likes.

Follower Growth Rate • Audience growth rate

How fast the account is growing in percentage terms, not absolute numbers. Is +1,000 followers a lot or a little? It depends on where you started.

FORMULA

Growth rate = (New followers in the period ÷ Followers at the start) × 100%

WHAT TO LOOK FOR

Count **net** growth (follows minus unfollows). A spike in unfollows after a specific post or sponsored collaboration is an important signal: either you attracted the wrong audience or the content put people off. Total follower count is a classic vanity metric; the rate and quality of growth are the actionable ones.

9. Video metrics: VTR, completion rate, watch time

Short vertical video (Reels, TikTok, Shorts) has become the dominant format, and it comes with its own set of metrics built around holding attention.

VTR • View-through rate

The share of people who watched a video to the end (or to a set point — 25/50/75/100%).

FORMULA

$$\text{VTR} = (\text{Completed views} \div \text{Video impressions}) \times 100\%$$

Watch Time / Avg. Watch • Watch time / retention

How long people watch on average, and at what point they drop off (the retention graph). For short-form video algorithms, this is metric number one: the longer you hold viewers, the more impressions the platform gives you.

KEY MOMENTS IN A VIDEO

Watch **the first 3 seconds** (the hook — if you lose people here, nothing else matters) and **the biggest drop-off point** on the retention graph — that's exactly where you need to re-edit or change the delivery. Average completion rate is the main lever for growing reach on Reels and TikTok.

CPV • Cost per view

For paid video promotion: what one view costs (platforms define a view differently — anywhere from 2 to 15 seconds).

FORMULA

$$\text{CPV} = \text{Spend} \div \text{Views}$$

PART 4

Conversion and lead metrics

The middle of the funnel. Attention turns into action: a form fill, a sign-up, a call. This is where you measure how efficiently traffic becomes potential customers — and what it costs.

10. Leads, conversions, CR

Lead • Lead

A **lead** is a potential customer who left their contact info or took a target action: filled out a form, left a phone number, sent a DM, or called. A lead isn't a buyer yet, but it's a warm contact you can work with.

Agree with your client or team from the very start on **exactly what counts as a lead**. A website inquiry and a newsletter sign-up are very different "leads" in terms of value. A fuzzy definition of a lead causes half of all reporting disputes.

CR • Conversion rate

The share of people who took the target action out of the total. A universal metric — you can calculate it for any step of the funnel.

FORMULA

$$CR = (\text{Target actions} \div \text{Total visitors}) \times 100\%$$

EXAMPLE

5,000 people visited the landing page and 150 submitted a form → $CR = (150 \div 5,000) \times 100\% = 3\%$.

ALWAYS ASK: CONVERSION INTO WHAT?

"Website conversion rate" is an incomplete phrase. There's click-to-lead conversion, lead-to-sale conversion, visitor-to-sign-up conversion. Name both ends: "visit-to-lead CR = 3%." A funnel is a chain of conversions, and the overall result is their product.

Conversion type	Typical benchmark
Landing page → lead (services)	2–6%
Online store → purchase	1–3%
Ad click → lead (on average)	2–5%
Lead → sale (sales team)	15–40% (depends on the industry)

11. Cost per action: CPL, CPA, CPO, CPI

A family of "cost per target action" metrics. They differ only in which action you're paying for. These are the working KPIs of paid social specialists and performance marketers.

CPL • Cost per lead

FORMULA

CPL = Spend ÷ Number of leads

EXAMPLE

You spent \$60,000 and got 90 leads → CPL = \$667 per lead.

CPA • Cost per action

The general metric: the cost of any defined action (sign-up, install, subscription, add to cart). CPL is a special case of CPA where the action is a lead.

FORMULA

$$\text{CPA} = \text{Spend} \div \text{Number of actions}$$

CPO • Cost per order / sale

What one *paid order* costs. Unlike CPL, it counts only actual sales — the most "money-focused" metric in this group.

FORMULA

$$\text{CPO} = \text{Spend} \div \text{Number of orders}$$

FROM CPL TO CPO

CPL = \$667, and 27 of the 90 leads bought (a 30% close rate). $\text{CPO} = 60,000 \div 27 =$ **\$2,222** per sale. If the product sells for \$5,000 at a 60% margin (\$3,000), a \$2,222 order still pays off — but just barely.

CPI • Cost per install

Specific to mobile apps: what one install costs. From there, it ties into activation and retention metrics inside the app.

THE BIG TRAP

A cheap CPL often turns into an expensive CPO. You can flood a project with cheap but junk leads — the close rate collapses and the real cost of a customer skyrockets. **Always take the metric all the way to money.** CPL is an intermediate benchmark; CPO and CAC are what determine profit.

12. Lead qualification: MQL, SQL, lead scoring

Not all leads are equally valuable. In well-built funnels (especially B2B and high-ticket services), leads are split by how "ready" they are.

Type	Stands for	What it means
MQL	Marketing Qualified Lead	A lead who has shown interest (downloaded something, subscribed, submitted a form) but isn't ready to buy yet. Marketing nurtures them.
SQL	Sales Qualified Lead	A lead that sales has vetted and that's ready for a deal: there's a need, a budget, and decision-making authority. A sales rep takes it from here.

Lead Score • Lead scoring

A points-based rating of lead "quality" based on attributes: job title, company size, on-site behavior, source. It helps sales reps call the people most likely to buy first.

WHY MARKETERS NEED IT

Splitting leads into MQL and SQL ends the eternal argument between "marketing sends us junk" and "sales can't sell." When you see 100 leads, 60 MQLs, 20 SQLs, and 8 sales, it's immediately clear at which handoff the money is lost — and whose responsibility it is.

PART 5

Money and unit economics

The heart of marketing. Everything above only matters because of what's here: whether ads pay off, how much you can pay for a customer, and when the business starts making money. These are the metrics marketers discuss with business owners.

13. Revenue, AOV, ARPU, ARPPU

Revenue • Revenue

All the money received from sales in a period, before expenses. Don't confuse it with profit: revenue is "how much came in," profit is "how much is left."

AOV • Average order value

How much one order brings in, on average. A lever that's often more important than lowering traffic costs: raise your average order value and your entire unit economics shifts into the black.

FORMULA

$$\text{AOV} = \text{Revenue} \div \text{Number of orders}$$

EXAMPLE

\$900,000 in revenue from 300 orders → AOV = \$3,000.

ARPU • Average revenue per user

How much one user brings in, on average (including those who didn't buy anything). Important for services and apps.

FORMULA

$$\text{ARPU} = \text{Revenue} \div \text{Total users}$$

ARPPU • Average revenue per paying user

The same, but only among people who actually paid. ARPPU is always higher than ARPU.

FORMULA

$$\text{ARPPU} = \text{Revenue} \div \text{Paying users}$$

WHAT THE GAP BETWEEN ARPU AND ARPPU TELLS YOU

If ARPPU is high and ARPU is low, few people pay, but they pay a lot. So your growth lever is increasing *the share of paying users* (purchase conversion). If both are low, work on average order value and upsells.

14. Customer acquisition cost: CAC and CPA

CAC • Customer acquisition cost

The average cost of acquiring one *paying customer*, including **all** marketing and sales costs — not just ad spend. It's one of the two most important metrics in all of unit economics.

FORMULA

$$\text{CAC} = \text{Total acquisition costs} \div \text{Number of new customers}$$

EXAMPLE

This month you spent \$200,000 on ads + \$60,000 in salary for your paid social specialist + \$15,000 on tools = \$275,000. You acquired 110 new customers. $CAC = 275,000 \div 110 = \$2,500$.

CAC ≠ CPO ≠ CPA

A common mistake is calculating CAC from ad spend alone. That gives you CPO (cost per order from ads), not CAC. True CAC includes salaries, tools, fees, and creative production. That's what shows the real cost of a customer to the business — and the difference can be several times over.

15. LTV and the LTV:CAC ratio

LTV (CLV) • Customer lifetime value

How much money a customer brings in over their entire relationship with you — not for one purchase, but in total. The second most important metric in unit economics. LTV is what determines how much you *can afford* to pay to acquire a customer.

FORMULA (SIMPLIFIED)

LTV = Average order value × Purchases per period × Customer lifespan

FORMULA (USING MARGIN — MORE ACCURATE)

LTV = Average order value × Margin × Lifetime number of purchases

EXAMPLE

A coffee shop customer spends \$5 per visit on average, comes in 4 times a month, and stays a customer for 2 years. LTV (revenue) = $5 \times 4 \times 24 = \$480$. At a 60% margin, that's $\approx \$288$ in profit. Now it's clear: paying \$8 to acquire this customer is a good deal.

LTV / CAC • The key ratio of unit economics

The ratio of a customer's value to the cost of acquiring them. One of the most important indicators of business health.

HOW TO READ THE VALUE

LTV ÷ CAC

LTV / CAC	What it means
< 1	A loss: the customer brings in less than they cost to acquire. You can't run a business this way.
≈ 1–2	Borderline. There's almost no profit, and any hiccup pushes you into the red.
≈ 3	Healthy economics — the classic benchmark. There's room to grow and cover overhead.
> 4–5	Excellent, but you may be <i>underinvesting</i> in marketing and missing out on growth.

A COUNTERINTUITIVE TAKEAWAY

An LTV:CAC that's too high isn't always good news. It can mean you're afraid to spend on ads and are leaving the market to competitors. If your economics allow it, it's sometimes the right call to deliberately raise CAC (move into more expensive traffic) to win market share.

16. ROAS, ACoS, ROMI, ROI, payback

Payback metrics answer the owner's main question: "Are the ads even paying for themselves?" They're often confused, so let's lay out the differences clearly.

ROAS • Return on ad spend

How many dollars in revenue each dollar spent on ads brought in. It's based on *revenue* and on ad spend only.

FORMULA

$$\text{ROAS} = (\text{Revenue from ads} \div \text{Ad spend}) \times 100\%$$

EXAMPLE

Ads brought in \$600,000 in revenue on \$150,000 in spend. $\text{ROAS} = (600,000 \div 150,000) \times 100\% = 400\%$ (or "4," or "4x"). Every dollar invested brought back four dollars in revenue.

ROAS IS NOT PROFIT

A 400% ROAS sounds great, but it's *revenue*, not profit. If the product margin is 20%, then \$600,000 in revenue leaves \$120,000 in profit — while the ads cost \$150,000. ROAS looks positive, and the business is losing money. Always compare ROAS with your margin — see "break-even ROAS" below.

ACoS • Advertising cost of sale

The inverse of ROAS and a favorite in e-commerce: what percentage of revenue the ads "ate up." Lower is better.

FORMULA

$$\text{ACoS} = (\text{Ad spend} \div \text{Revenue from ads}) \times 100\%$$

EXAMPLE

Same case: $150,000 \div 600,000 = 25\%$. Ads eat a quarter of the revenue. For a store with a 40% margin, that's acceptable; with a 20% margin, it's a loss.

ROMI • Return On Marketing Investment

The return on all marketing investment (ads + tools + salaries), calculated from *profit*. More honest than ROAS because it accounts for more costs.

FORMULA

$$\text{ROMI} = ((\text{Profit from marketing} - \text{Marketing costs}) \div \text{Marketing costs}) \times 100\%$$

ROI • Return on investment

The broadest metric: the return on *any* investment in the business, not just marketing. It's calculated from net profit.

FORMULA

$$\text{ROI} = ((\text{Income} - \text{Costs}) \div \text{Costs}) \times 100\%$$

Metric	Based on	Costs included
ROAS	Revenue	Ad spend only
ACoS	Revenue	Ad spend only (the inverse of ROAS)
ROMI	Profit	All marketing costs
ROI	Profit	All business costs

Payback Period • Customer payback period

How long it takes a customer to "earn back" the cost of acquiring them. Critical for subscription models: if CAC pays back only in month 5 but customers leave in month 3, the business won't survive.

FORMULA

$$\text{Payback} = \text{CAC} \div \text{Monthly profit per customer}$$

17. Margin and unit economics, explained simply

Margin • Margin

The share of the price left after subtracting the cost of goods. Without knowing your margin, there's no way to tell whether your ads pay off.

FORMULA (GROSS MARGIN)

$$\text{Margin} = ((\text{Price} - \text{Cost of goods}) \div \text{Price}) \times 100\%$$

Break-even ROAS

The most practical formula in this chapter. It answers: "What's the minimum ROAS I need to avoid losing money?"

FORMULA

$$\text{Break-even ROAS} = 1 \div \text{Margin}$$

EXAMPLE

The product margin is 25% (0.25). Break-even ROAS = $1 \div 0.25 = 4$ (that is, 400%). So as long as ads return less than \$4 per dollar, you're losing money — even if "sales are coming in." Anything above 400% is profit. This one number instantly separates healthy campaigns from losing ones.

Unit economics: putting it all together

Unit economics checks whether you make money on *one* customer or order. If a single unit loses money, scaling will only lose money faster. The minimum model:

AN END-TO-END EXAMPLE

Average order \$5,000 · margin 40% → \$2,000 in gross profit per order.

CAC (cost to acquire a buyer) = \$1,500.

Profit on the first order = $2,000 - 1,500 = \text{\$500}$. Already profitable on the first purchase.

The average customer buys 3 times → LTV in profit = $2,000 \times 3 = \text{\$6,000}$.

$\text{LTV} / \text{CAC} = 6,000 \div 1,500 = 4.0$ → excellent economics: you can scale with confidence and even afford more expensive traffic.

THE MAIN IDEA OF THIS PART

All the top-of-funnel metrics (CTR, CPC, ER) are levers. But the final verdict comes down to three numbers: **CAC, LTV, and margin**. Learn to calculate them, and you'll speak the same language as the business owner instead of showing them charts of likes.

PART 6

Retention and loyalty

Acquiring a customer is expensive. Keeping one costs many times less. These metrics show whether people come back and how satisfied they are. This is often where the biggest profit growth is hiding.

18. Retention, churn, repeat purchases

Retention Rate • Retention rate

The share of customers who are still with you after a given period. It shows whether the product keeps people.

FORMULA

Retention = (Customers at the end – New in the period) ÷ Customers at the start × 100%

Churn Rate • Churn rate

The inverse metric: the share of customers who left during the period. Churn = 100% – retention. A key metric for subscriptions and services.

FORMULA

Churn = (Customers lost ÷ Customers at the start of the period) × 100%

EXAMPLE

You started with 1,000 subscribers and 50 canceled during the month → churn = 5% per month. It doesn't sound like much, but over a year it's a huge hole you have to keep plugging with new customers.

WHY CHURN MATTERS MORE THAN IT SEEMS

At 5% monthly churn, the average customer stays only ~20 months, which cuts directly into LTV. Reducing churn by even 1–2 percentage points can grow profit more than a new ad channel. You can't fill a leaky bucket, no matter how much traffic you pour in.

Repeat Purchase Rate • Repeat purchase rate

The share of customers who buy again. A direct indicator of loyalty in e-commerce.

FORMULA

$$\text{RPR} = (\text{Customers with 2+ purchases} \div \text{All customers}) \times 100\%$$

DAU / MAU • Active users and stickiness

DAU is your daily active audience, MAU your monthly one. Their ratio (**stickiness = DAU/MAU**) shows how often people come back: 0.5 means the average user shows up about every other day.

19. NPS, CSAT, CES

Satisfaction metrics measure not behavior but how customers feel. They're collected through surveys.

NPS • Net Promoter Score

The answer to "How likely are you to recommend us? (0–10)." Respondents are split into groups, and you take the difference.

FORMULA

$$\text{NPS} = \% \text{ promoters (9-10)} - \% \text{ detractors (0-6)}$$

Scores of 7–8 ("passives") don't count. The result ranges from –100 to +100. Above 30 is good; above 50 is excellent.

CSAT • Customer satisfaction score

The share of satisfied customers after a specific interaction ("How satisfied were you? 1–5"). It measures one moment of the experience: a purchase, a support request.

FORMULA

$$\text{CSAT} = (\text{Satisfied responses (4-5)} \div \text{All responses}) \times 100\%$$

CES • Customer effort score

How much effort the customer had to put in to get their problem solved. The less effort, the higher the loyalty. It predicts repeat purchases better than CSAT.

PART 7

Funnels and end-to-end analytics

Individual metrics are letters. A funnel is words. Here we connect everything into one picture: the customer's path from impression to repeat purchase, and the question of which channel actually drove the sale.

20. The AARRR funnel and the sales funnel

A funnel is the sequence of stages a customer goes through, with a conversion rate at each step. The point is to see where you lose the most people and fix that step.

AARRR • "Pirate metrics" — the product growth funnel

A five-stage model of the user life cycle, named for how it sounds — "AARRR," like a pirate's cry.

Stage	What we measure	Metrics
Acquisition	How people find out about us	Traffic, CPC, CPL
Activation	The first successful experience	CR to the key action
Retention	Whether they come back	Retention, Churn, DAU/MAU
Revenue	Whether they pay	CR to payment, ARPU, AOV
Referral	Whether they bring others	NPS, virality (K-factor)

The sales funnel and end-to-end conversion

The classic funnel for services and products. Each step has its own conversion rate, and the overall result is their product.

AN END-TO-END FUNNEL EXAMPLE

500,000 impressions → 1.5% CTR → 7,500 clicks → 4% site CR → 300 leads → 80% contact rate → 240 conversations → 25% close rate → **60 sales**.

Overall impression-to-sale conversion = $60 \div 500,000 = 0.012\%$. Now you can see every bottleneck. Raise the contact rate from 80% to 95%, and that's +45 conversations and ~11 sales out of thin air, with no increase in budget.

HOW TO WORK WITH A FUNNEL

Look for the stage with the biggest leak relative to the norm. Marketers often heroically cut CPC by 10% while, right next door, sales loses half the leads because nobody calls them back fast enough. The funnel shows you where the lever is actually longest.

21. End-to-end analytics and attribution models

End-to-end analytics connects ads to actual sales: not "the click came from Instagram" but "this customer, who bought \$30,000 worth, came from Instagram through this specific campaign." Without it, you're optimizing for leads, not money.

The attribution problem

Customers rarely buy on the first touch. They saw a Reel, then Googled you, then clicked a retargeting ad, then came back through an email. **Who gets credit for the sale?** Attribution models answer that question.

Model	Who gets the credit	When it's useful
Last click	The last channel before the purchase	Simple, but undervalues the top of the funnel
First click	The channel of the first touch	Evaluating channels that introduce people to the brand
Linear	Equally to every touch	When the whole journey matters
Time decay	More to touches closer to the purchase	Long sales cycles
Position-based (U-shaped)	40% each to the first and last touch, 20% to the middle	Balance: both introduction and closing

THE PRACTICAL TAKEAWAY

The default model (usually last click) systematically undervalues top-of-funnel channels — paid social and organic social, which introduce people to you but rarely close the sale directly. Switch them off based on a last-click report, and your "direct" traffic sales often drop too. Before cutting a channel, look at its contribution across different attribution models.

Channel cheat sheets

The same principles apply everywhere, but every channel has its own priority metrics. A quick reference for what to look at first in search, paid social, organic social, email, and SEO.

22. Key metrics by channel

Search and PPC ads

Warm demand — people are already looking for a solution. The focus is on closing efficiently.

- **Key metrics:** CTR, CPC, lead CR, CPL/CPO, ROAS, impression share.
- **What's specific:** watch keyword quality and negative keywords — junk queries drive CPC up. Quality Score directly affects your cost per click.

Paid social (Meta, TikTok, LinkedIn)

Cold to warm demand — you find the audience yourself. The focus is on creative and targeting.

- **Key metrics:** CPM, CTR, CPC, frequency, CR, CPL/CPA, ROAS.
- **What's specific:** creative accounts for 70% of success. Watch frequency (fatigue) and refresh your ads. Test 3–5 creatives per audience-offer combination. Judge performance at the *campaign* level, not by individual ads.

Organic social media

A long game of building trust and reach. The focus is on engagement and growth.

- **Key metrics:** reach, ER / ERR, saves, shares, net audience growth, link-in-bio clicks.
- **What's specific:** direct sales are hard to measure — evaluate its contribution to the top of the funnel and to branded search. Saves and shares matter more to the algorithms than likes.

Email marketing

The cheapest channel for retention and repeat sales — it works with your own list.

- **Key metrics:** open rate, click rate, CTOR (clicks among those who opened), unsubscribe rate, bounce rate (undelivered), revenue per email.
- **What's specific:** a low open rate points to the subject line and how warm your list is; a low click rate points to the content. Unsubscribes above 0.5% signal that you're mailing the wrong list or sending too often.

SEO (search engine optimization)

An investment in free traffic for years to come. The focus is on visibility and organic traffic.

- **Key metrics:** keyword rankings, organic traffic, visibility, search CTR, number of indexed pages, backlink profile.
- **What's specific:** results are delayed (3–6+ months). Judge the trend, not absolute numbers, and tie organic traffic to conversions, not just rankings.

PART 9

Reporting and mistakes

Calculating metrics is half the job. The other half is presenting them so people actually make decisions from them — and avoiding the traps most specialists fall into.

23. How to build a clear report and dashboard

A good report answers "What do we do next?" — not "What was the money spent on?" A bad report is a screenshot of an ad account with 40 columns.

Principles of a useful report

- **Money goes at the top.** First: spend, revenue/leads, CPL/CPO, ROAS — what the business owner cares about.
- **From big picture to details.** Total → by channel → by campaign → by creative, so you can drill down.
- **Always with a baseline.** A number without a plan and a previous period is meaningless. "CPL \$670" → "CPL \$670 (target \$700, was \$820 ✓)."
- **Trends, not snapshots.** Weekly charts show the trend; a single monthly number hides the fact that the second half of the month was on fire.
- **Conclusions in words.** Two or three lines: what worked, what didn't, what we're changing. That's why anyone reads the report.

A ONE-PAGE STRUCTURE

Block 1 — Summary: spend, results, payback, % of plan achieved. **Block 2 — By channel:** a table with CPL/CPO/ROAS by source. **Block 3 — Trends:** a weekly chart of the key metric. **Block 4 — Conclusions and action plan.** That's it. If it doesn't fit on one screen, you're showing data, not analysis.

24. Twelve common mistakes with metrics

1. **Counting leads, not money.** A cheap CPL with zero sales is wasted budget. Take it all the way to CPO and ROAS.
2. **Ignoring margin.** A 300% ROAS at a 20% margin is a loss. Without margin, payback can't be interpreted.
3. **Confusing CAC with CPO.** Calculating customer cost from ad spend alone, forgetting salaries and tools.
4. **Optimizing vanity metrics.** Chasing followers and reach that never turn into money.
5. **Averages that hide everything.** "3% conversion" without segmenting by source hides the fact that one channel feeds the business while another drains it.
6. **Drawing conclusions from tiny numbers.** "0% CR on 12 clicks" means nothing — there's no statistical significance. Wait for volume.
7. **Looking at snapshots instead of trends.** One monthly number hides the trend. Always compare with the previous period.
8. **Blindly trusting last click.** Cutting the top of the funnel based on last click — and then wondering why all your sales dropped.
9. **Different definitions of a lead.** Marketing and sales count "leads" differently and argue over nothing. Agree on it in advance.
10. **Changing everything at once.** You changed the creative, the audience, and the landing page at the same time — and now you don't know what worked. Change one thing at a time.
11. **Forgetting about churn.** Pouring traffic into a leaky bucket with high churn is endlessly expensive. Plug the holes first.
12. **Reports without conclusions.** A dump of numbers instead of an answer to "what do we do?" Data isn't analysis.

Channels, strategies, copywriting

Metrics tell you what's working. This part is about what you're choosing from in the first place: the methods and channels available, the criteria for choosing among them, the main strategies, and the proven formulas for writing copy that sells.

25. Marketing methods and channels: how to choose by criteria

There are dozens of channels and only one budget. What separates a pro from a beginner isn't knowing the trendy channels — it's choosing the right one for a specific task based on clear criteria, not gut feeling.

The promotion mix

The textbook name for the set of promotional methods is **the promotion mix** (part of the marketing mix). Traditionally, it has five elements:

Method	What it is	Examples
Advertising	Paid, non-personal promotion	Paid social, search ads, billboards, influencer ads
Sales promotion	Short-term incentives to buy	Discounts, deals, promo codes, buy-one-get-one
PR (Public Relations)	Managing reputation and reach without direct advertising	Press coverage, events, newsworthy stories
Personal selling	Direct contact between seller and customer	Calls, meetings, DMs
Direct marketing	Targeted, one-to-one outreach	Email, SMS, push notifications, messaging apps

The PESO model — classifying channels

The second framework marketers use is **the PESO model**. It groups every channel by ownership and payment:

Type	Stands for	Channels	Pros / cons
Paid	Paid	Paid social, search ads, influencer ads	Fast and controllable, but you pay for every contact
Earned	Earned	Press mentions, reviews, word of mouth	Maximum trust, but hard to control
Shared	Shared	Social media, shares, UGC	Viral reach, but at the mercy of algorithms
Owned	Owned	Website, blog, email list, your own channel	Full control and "free," but slow to grow

THE IDEA BEHIND THE MODEL

Healthy marketing doesn't rest on one type. Paid gives you speed, owned gives you independence from ad budgets, and earned gives you trust. Betting only on paid means the business is hooked on its ad account: switch off the budget and sales drop to zero.

By funnel stage: ToFu / MoFu / BoFu

Channels and content are chosen to match how "warm" the audience is. Another professional way to slice it:

Stage	Audience	Channels and formats
ToFu (Top of Funnel)	Cold — doesn't know about the problem or about you yet	Broad-reach paid social, Reels, blog, PR — introductions
MoFu (Middle of Funnel)	Warm — comparing solutions	Useful content, webinars, email, retargeting
BoFu (Bottom of Funnel)	Hot — ready to buy	Search ads on "buy" keywords, reviews, special offers, sales team

By type of demand: push vs. pull

- **Pull channels** capture demand that *already exists*: people are looking for a solution on their own. Think SEO, search ads on high-intent keywords, marketplaces. They deliver hot traffic but are limited by the volume of demand.
- **Push channels** *create* demand by showing the product to people who weren't looking for it. Think paid social, social media, influencer ads. They deliver scale, but the traffic is colder.

Criteria for choosing a channel

The main practical tool. Run any channel through these criteria and the decision becomes obvious.

Criterion	The question it answers
Audience	Where does our customer actually spend time? Go there, not wherever is trendy
Goal / funnel stage	Do we need reach and awareness, or direct sales right now?
Budget	Is there enough money for a meaningful result? Small budget → 1–2 channels, not everything at once
Speed to results	Do we need sales tomorrow (search ads, paid social), or can we wait (SEO, content)?
Acquisition cost	Does the expected CAC fit your unit economics (see Part 5)?
Scalability	Can we raise the budget and get more, or will the channel hit a ceiling fast?
Sales cycle length	Short (impulse purchase) or long (B2B, high-ticket services)?

AN EXAMPLE DECISION

The service is home renovation, the average job is \$40,000, the sales cycle is long, and you need sales this season. Running it through the criteria: demand already exists (people are searching) → **pull channels come first**: search ads and SEO for "full home renovation." Paid social (push) is a second layer for retargeting and reach. Influencer PR is slow and off-target. The decision was made by criteria, not by taste.

26. Marketing strategies

A channel is the "where." A strategy is the "how" and "in what order." Below are the working strategic models marketers think in.

STP: Segmentation → Targeting → Positioning

The foundational strategic model. Before you promote anything, you go through three steps:

1. **Segmentation** — split the market into groups by needs or characteristics.
2. **Targeting** — choose the segment(s) you'll focus on.
3. **Positioning** — define how you're better than, or different from, competitors for that segment.

WHY THIS IS STRATEGY, NOT THEORY

90% of wasted budgets come from "promoting everything to everyone." STP forces you to narrow down: a specific segment + specific positioning = cheaper acquisition and higher conversion, because the message hits precisely.

Push and pull strategies

At the strategy level (not just the channel level): **a pull strategy** attracts customers by creating value and demand (content, SEO, brand). **A push strategy** actively pushes the product through advertising and promotions. They're usually combined: pull builds a steady flow over time, push drives sales now.

Porter's three generic strategies

How to win in a market, in principle — a classic worth keeping in mind when you work on positioning:

Strategy	The idea	How to promote
Cost leadership	Be the cheapest	Emphasize price, deals, volume
Differentiation	Be unique or the best	Emphasize value, quality, brand
Focus	Be #1 in a narrow niche	A narrow segment, expert positioning

THE "STUCK IN THE MIDDLE" TRAP

Porter warned that trying to be both the cheapest and the most premium is a sure path to failure. Pick one strategy and build your marketing around it. Nobody buys "cheap and luxurious."

Strategy by life-cycle stage

Stage	Priority	Metric focus
Launch	Validate demand, find a winning combination	CPL, CR, feedback
Growth	Scale what works	CAC, ROAS, volume while keeping efficiency
Maturity	Retain and upsell	LTV, retention, repeat sales
Decline	Reactivation, new segments	Win-back, Churn

Performance, brand, and content: three directions

- **Performance marketing** — direct, measurable sales right now (paid social, search ads). Metrics: CPO, ROAS.
- **Brand marketing** — awareness and trust over the long term. Metrics: reach, brand awareness, branded search.
- **Content marketing** — attracting and warming people up with useful content. Metrics: traffic, engagement, leads from content.

THE BALANCE

Performance alone means fast but ever-more-expensive traffic with no brand cushion. Brand alone looks great but doesn't pay the rent. A mature strategy combines them: performance harvests, while brand and content make each harvest cheaper year after year.

Growth loops

The modern approach: instead of a linear funnel, you build **loops**, where each result feeds the next cycle:

- **Viral loop:** customers bring in customers (referrals, UGC) → see K-factor.
- **Content loop:** content → search traffic → leads → new content based on their questions.
- **Paid loop:** profit from customers is reinvested in ads — it works only if $LTV > CAC$.

27. Copywriting formula cheat sheet

Copy that sells almost always follows a structure. These formulas are proven frameworks: you don't need to invent anything, just fill them in for your product.

AIDA • Attention • Interest • Desire • Action

The best-known formula. It walks the reader through four steps, from attention to action.

- **A — Attention:** hook them with the headline or first line.
- **I — Interest:** keep them reading with a fact, a story, or a problem.
- **D — Desire:** make them want it — with benefits, results, and proof.
- **A — Action:** tell them what to do — buy, sign up, get in touch.

EXAMPLE (AN AD FOR A COURSE)

A: "Wasting your ad budget and can't figure out why?" **I:** "80% of business owners don't track ROAS and lose money without realizing it." **D:** "In 2 hours, learn to read 10 metrics and spot where your money is leaking — the way big teams do." **A:** "Get the guide at 50% off today."

PAS • Problem • Agitate • Solution

A powerful formula built on pain. Ideal for cold audiences.

- **P — Problem:** name the customer's problem.
- **A — Agitate:** twist the knife and show the consequences.
- **S — Solution:** offer the solution — your product.

EXAMPLE

P: "The leads are coming in, but the sales aren't." **A:** "Every day you don't analyze your funnel is money flowing to your competitors while you guess what's wrong." **S:** "Our dashboard shows you exactly where you're losing customers — in 5 minutes."

PMPHS • Pain • More Pain • Hope • Solution

A stronger version of PAS: pain → even more pain → hope → solution. Highly emotionally engaging.

BAB • Before • After • Bridge

The before-after-bridge formula. Show the customer's life now, then the picture they want, then your product as the bridge between the two.

EXAMPLE

Before: "You spend your evenings building reports by hand in Excel." **After:** "You open the dashboard and every metric is already pulled and calculated." **Bridge:** "It connects to your ad account in 15 minutes."

FAB • Features • Advantages • Benefits

Turns dry features into benefits — what the customer is actually buying.

- **Feature:** "5,000 mAh battery."
- **Advantage:** "Holds a charge for 2 days."
- **Benefit:** "Forget about charging on the road — you'll never be out of reach."

THE GOLDEN RULE

People don't buy features, they buy benefits — not a drill but a hole in the wall, or more precisely, the shelf they finally put up. Always take a feature through to the benefit: "...which means you get..."

4U • Useful • Urgent • Unique • Ultra-specific

A formula for strong headlines. A good headline combines usefulness, urgency, uniqueness, and specificity (numbers).

EXAMPLE

Weak: "Learn marketing." Strong (4U): "Master 10 key metrics in 2 hours and stop wasting your ad budget — guide on sale today only."

ACCA • Awareness • Comprehension • Conviction • Action

Awareness → comprehension → conviction → action. Good for complex products that need explaining first.

QUEST • Qualify • Understand • Educate • Stimulate • Transition

Call out the right audience → show you understand their pain → educate → build desire → lead them to action. For long-form sales copy and landing pages.

ODC • Offer • Deadline • Call to action

A formula for a strong offer: a valuable proposition + a deadline (scarcity) + a clear call to action. The backbone of any sales promotion.

Summary table: which formula to use when

Formula	Best for
AIDA	All-purpose: ads, posts, emails
PAS / PMPHS	Cold audiences, selling through pain points
BAB	Products with a clear before/after
FAB	Product descriptions, listings, specs
4U	Headlines and email subject lines
ACCA	Complex and new products
QUEST	Long landing pages and sales copy
ODC	Promotions, special offers, deadlines

HOW TO USE THEM

Don't start from a blank page. Pick a formula that fits the task, sketch a skeleton using its steps, then fill it in with specifics about your product and edit. You'll be several times faster and better. And you already know how to check the result — with CTR, conversion rate, and cost per lead from the earlier parts.

Meta Ads (Facebook / Instagram)

Meta Ads Manager metrics, the different versions of CTR and clicks, campaign objectives, and which KPIs make sense for each. Plus diagnostic "what to check if..." scenarios.

28. Meta Ads Manager metrics

Where to look: Meta Ads Manager. The available columns and their names are customizable and change over time — go by what a metric means, not by the exact name of the button.

The most important thing to understand about Meta: **the numbers depend on the campaign objective and the attribution window**. The same campaign will report a different number of conversions under different attribution settings (more in Ch. 39). So only compare campaigns that use the same settings.

CORE METRICS — WHAT THEY SHOW AND WHAT TO READ THEM WITH

Metric	What it shows	Read it alongside
Amount Spent	How much was spent in the period	Results, ROAS
Impressions	How many times the ad was shown	Reach, Frequency
Reach	How many unique people saw it	Frequency
Frequency	$\text{Impressions} \div \text{reach}$	CTR, CPM (rising frequency → fatigue)
CPM	Cost per 1,000 impressions	CTR, CPC
Clicks (All)	All clicks: link, likes, profile clicks, "see more"	Link Clicks
Link Clicks	Clicks on the link specifically	Landing Page Views
CTR (All)	$\text{All clicks} \div \text{impressions}$	Link CTR (CTR All is usually higher)
CTR (Link)	$\text{Link clicks} \div \text{impressions}$	CPC (Link), LPV
Outbound CTR	$\text{Clicks that take people off the platform} \div \text{impressions}$	Link CTR
CPC (All)	$\text{Spend} \div \text{all clicks}$	CPC (Link)
CPC (Link)	$\text{Spend} \div \text{link clicks} - \text{your working CPC}$	Site CR, CPL
Landing Page Views (LPV)	Landing page loads (with the pixel)	Link Clicks (the gap = loss during page load)
Cost per LPV	$\text{Spend} \div \text{LPV}$	CPC (Link)
Results / Cost per Result	Results for the chosen objective and their cost	Depends on the campaign objective
Leads / CPL	Leads and cost per lead	Lead quality, CPA
Purchases / Cost per Purchase	Purchases and their cost (the equivalent of CPO)	ROAS, AOV
Conversion Value	Conversion value (revenue reported by the pixel)	ROAS
Purchase ROAS	$\text{Conversion value} \div \text{spend}$	Margin, break-even ROAS

CTR (All) ≠ Link CTR ≠ Outbound CTR

CTR (All) counts every click, including likes, profile clicks, and "see more" — so it's higher and looks better. **Link CTR** counts only link clicks. **Outbound CTR** counts only clicks that take people off the platform to your site. For performance work, go by **Link / Outbound CTR**: those are the ones tied to site traffic. The gap between CTR (All) and Link CTR is interest in the post that doesn't turn into visits.

META VIDEO METRICS

Metric	What it shows
3-second video plays	Views of 3+ seconds — a rough indicator of whether the hook landed
ThruPlay	Views to the end or 15+ seconds — the main "paid view"
Video plays 25 / 50 / 75 / 95 / 100%	The retention curve: where viewers drop off
Average Watch Time	Average watch time
Cost per ThruPlay / CPV	Cost per ThruPlay / view

ABOUT THE ATTRIBUTION WINDOW

Meta attributes conversions using a configurable window (clicks and/or views within N days). The default and the available windows have changed over time, so don't treat the conversion count in Ads Manager as absolute truth — these are conversions *in Meta's attribution model*, not necessarily real sales in your CRM (see Ch. 34 and 39).

META ADS DIAGNOSTICS: WHAT TO CHECK IF...

CPM ↑ · **Link CTR** ↓ · **CPC** ↑

LIKELY CAUSES

- Audience fatigue (check Frequency), a narrow audience, more competition in the auction;
- The creative has stopped grabbing attention — refresh the visual or the hook;
- Placements and relevance — check exactly where costs are rising.

CPM is normal · Link CTR ↓

LIKELY CAUSES

- The creative, the hook, the offer, audience fit, the message itself. The auction has nothing to do with it — the problem is the ad.

Lots of Link Clicks · Landing Page Views ↓ (a big gap)

LIKELY CAUSES

- Slow page load, a pixel or tracking error, a broken link, a heavy landing page. People click, but the page doesn't finish loading.

LPV is normal · Results / Purchases ↓

LIKELY CAUSES

- The landing page, the offer, the form, ad-to-page match, price, technical errors, the conversion event setup.

29. Meta campaign objectives and which KPIs to watch

The optimization event has to match the business goal. A campaign optimized for clicks is not the same as a campaign optimized for purchases.

Meta optimizes delivery for whatever event you chose as the objective. If the objective is "Traffic," the algorithm looks for people who click, not people who buy. So your primary metric depends on the objective:

Campaign objective	Primary KPI	Secondary	Diagnostic
Awareness	Reach, CPM	Frequency	CTR, video retention
Traffic	Link Clicks, Cost per LPV, CPC (Link)	CTR, CPM	Bounce rate, site CR
Engagement	Interactions, cost per interaction	ER	CTR, reach
Leads	CPL, lead quality	CTR, CPC, form CR	MQL/SQL, contact rate
Sales	ROAS, Cost per Purchase	CR, AOV	End-to-end funnel, attribution
Video views	ThruPlay, CPV	Avg watch time	Retention at 25/50/75/100%

A COMMON MISTAKE

Launching a campaign with the "Traffic" objective, getting cheap clicks, and being surprised there are no sales. Cheap traffic $\neq$ buyers. If you need sales, optimize for conversions or purchases (as long as there's enough event volume for the algorithm to learn).



PART 12

Google Ads

Google Search and Display metrics, impression share, ad quality (Quality Score, Ad Rank), and how to tell "we lost volume because of budget" from "we lost volume because of rank."

30. Google Ads metrics

Where to look: Google Ads. A lot overlaps with the general metrics, but the search auction has its own specifics.

Metric	What it shows	Read it with
Impressions	Ad impressions	Impression Share
Clicks / CTR	Clicks and click-through rate	Quality Score, position
CPC (avg.)	Average cost per click	Ad Rank, Quality Score
CPM	Cost per 1,000 impressions (for Display / video)	—
Conversions	Target actions based on the conversions you've set up	Cost/Conv, CR
Conversion Rate (CR)	Conversions ÷ clicks	Cost/Conv
Cost / Conversion	Spend ÷ conversions (the equivalent of CPA)	CAC, margin
Conversion Value	Conversion value (revenue)	Conv. Value / Cost
Conv. Value / Cost	The Google Ads equivalent of ROAS	Break-even ROAS
Search Impression Share	The share of all possible impressions you actually got	Lost IS (budget / rank)
Search Lost IS (budget)	The share of impressions lost because the budget ran out	Budget
Search Lost IS (rank)	The share of impressions lost because of low Ad Rank	Quality Score, bid
Search Top / Abs. Top IS	The share of impressions at the top / absolute top of the page	Bids, Ad Rank
Quality Score	A keyword quality rating (1–10): expected CTR, ad relevance, landing page experience	CPC (it affects the price)

31. Impression Share, Quality Score, Ad Rank

IMPRESSION SHARE: TWO REASONS YOU LOSE IMPRESSIONS

Impression share (IS) is the share of possible impressions you received. If IS is low, it's important to understand *why* — that determines what to fix:

Search Lost IS (budget) **high**

CAUSE AND FIX

- You're missing impressions **because of budget** — the campaign is hitting its daily cap. Fix: raise the budget, or narrow the targeting or keywords so the money is spent more efficiently.

Search Lost IS (rank) **high**

CAUSE AND FIX

- You're missing impressions **because of low Ad Rank**. Fix: raise your bid and/or improve Quality Score (ad and landing page relevance).

AD RANK AND QUALITY SCORE

Ad Rank determines whether your ad shows and in what position. Put simply, it depends on your bid, ad quality (Quality Score), and the context of the search. The practical takeaway: **you can improve your position not only with a higher bid but with better quality** — ad copy that matches the query and a good landing page lower the price of the same position.

Quality Score (1–10) has three components: expected CTR, ad relevance to the query, and landing page experience. A higher QS usually means a lower CPC for the same position.

BRANDED VS. NON-BRANDED TRAFFIC

Keep **branded** searches (people looking for you by name) separate from **non-branded** ones. Branded traffic is almost always cheaper and converts better — but that's thanks to existing demand, not the ads. Mixing them in one report means overestimating how well your ads work. Likewise, keep an eye on negative keywords and the search terms report so you don't pay for irrelevant impressions.

PART 13

TikTok Ads and short-form video

TikTok metrics, with a clear split between organic and paid. Short-form video metrics revolve around holding attention, and platforms define a "view" differently.

32. TikTok metrics: organic and paid

Don't mix your profile's organic metrics with Ads Manager metrics — they're separate data sets.

TIKTOK ADS (ADS MANAGER)

Metric	What it shows
Impressions / Reach / Frequency	Impressions, unique viewers, frequency
CPM	Cost per 1,000 impressions
Clicks / CTR / CPC	Clicks, click-through rate, cost per click
2s / 6s video views	2-second / 6-second views
Video views 25 / 50 / 75 / 100%	The completion curve
Average Watch Time	Average watch time
Video Completion Rate	The share of views watched to the end
Conversions / CPA / CPL	Conversions and their cost
Cost per Result	Cost per result for the campaign objective

TIKTOK ORGANIC (PROFILE ANALYTICS)

Metric	What it shows
Video Views	Video views
Average watch time / % watched	Retention — the key signal for the algorithm
Watched full video	Share of full views
Likes / Comments / Shares / Saves	Engagement (shares and saves are the "heavy" signals)
New followers	Follower growth after a video
Traffic source (For You / Following / Search)	Where the views came from

THE KEY TO GROWTH IN SHORT-FORM VIDEO

For short-form video algorithms, what matters most is **retention** (average % watched) and the first few seconds (the hook). High completion + saves/shares = more impressions. That applies to TikTok, Reels, and Shorts alike, but each platform's exact rules differ and keep changing.

PART 14

GA4 and tracking

How GA4 analytics works (users, sessions, events), how a "user" differs from a "session" and an "event," and why ad platforms, GA4, and your CRM almost never show the same numbers.

33. GA4 metrics: users, sessions, events

Where to look: Google Analytics 4. GA4 is built on events — almost everything in it is an event.

Metric	What it shows
Users / Active Users	Unique / active users
New / Returning Users	New and returning users
Sessions	Sessions (visits)
Engaged Sessions	Engaged sessions (10+ seconds, 2+ page views, or a key event)
Engagement Rate	Engagement rate
Average Engagement Time	Average engagement time
Events / Key Events	Events and key events (formerly "conversions")
Session / User Conversion Rate	Session / user conversion rate
Source / Medium / Campaign	Traffic source (from UTMs and auto-detection)

Users ≠ Sessions ≠ Events

A user is a person (device/browser). One **user** can create several **sessions** (visits), and each session can contain many **events** (page views, clicks, scrolls). That's why there are always more events than sessions and more sessions than users. Mixing them up badly distorts your conversion rate.

A METHODOLOGY NOTE

GA4 uses its own session model and, in some reports, data sampling and modeling. That's not "broken" — it's how the tool works. Treat GA4's absolute numbers as one view of your traffic, not the final word.

34. Why the numbers never match across platforms

The practical question everyone runs into: why does Meta show 40 conversions, Google 32, GA4 27, the CRM 21 — and there are only 8 sales?



This is **normal**, and it almost never means one of the systems is "broken." Here's why they differ:

- **Different attribution models** — each system assigns credit for a conversion its own way.
- **Different attribution windows** — 7 days vs. 1 day vs. 30 days give different counts.
- **Deduplication** — ad platforms tend to claim conversions for themselves, so several platforms take credit for the same sale.
- **Click vs. view attribution** — Meta can count a conversion from a view with no click.
- **Different definitions of a conversion** — a "lead" in the ad account $\neq$ a "qualified lead" in the CRM $\neq$ a "payment."
- **Delays and time zones** — data arrives with a lag, and day boundaries differ.
- **CRM filtering** — duplicates, spam, and invalid leads get weeded out.
- **Tracking limitations** — ad blockers, cookie restrictions, and some events getting lost.

WHAT TO DO ABOUT IT

Don't try to make the numbers match — it's impossible. Pick **one system as your source of truth for money** (usually your CRM or point-of-sale system), and use the ad platforms to optimize within each channel. The gap between "conversions in the ad account" and "sales in the CRM" isn't an error — it's a normal funnel of losses that you should measure, not deny.

PART 15

UTMs and CRM

How to tag links with UTM parameters so you can see where every lead came from, and which numbers to watch in your CRM and sales analytics — where traffic turns into money.

35. UTM tagging

UTM parameters are tags in a link that tell your analytics where a visit came from. Without them, all your paid traffic blurs into "who knows where," and you can't measure performance by source.

Parameter	What it means	Example values
utm_source	Source — the specific platform	facebook, google, instagram, newsletter
utm_medium	Traffic type / channel	cpc, paid_social, email, organic
utm_campaign	Campaign name	autumn_sale, launch_2026
utm_content	Distinguishes ads/links	video_a, banner_b, button_top
utm_term	Keyword (usually for search)	kpi_kurs, kupit_crm

EXAMPLE OF A TAGGED LINK

site.com/lp?**utm_source**=facebook&**utm_medium**=paid_social&**utm_campaign**=autumn_sale&**utm_content**=video_a



NAMING DISCIPLINE

Set one standard: lowercase only, no spaces, consistent channel names (always cpc, not CPC in one place and ppc in another). Otherwise one channel gets smeared across a dozen spellings in your report. Never put personal data in UTMs.

36. CRM and sales analytics

Where to look: your CRM. This is where marketing meets sales, and where your source of truth for money lives.

Metric	What it shows
Lead Source	Lead source (ideally from UTMs)
Lead Status	Status: new / in progress / qualified / lost
MQL → SQL → Opportunity → Deal	Lead and deal maturity stages
Won / Lost	Won / lost deals
Pipeline / Pipeline Value	The deal pipeline and its total value
Win Rate / Close Rate	The share of deals that closed
Sales Cycle	Average deal length
Revenue per Lead	$\text{Revenue} \div \text{number of leads}$ — ties marketing to money
Cost per Customer / CAC	The cost of acquiring a paying customer

WHY MARKETERS NEED THE CRM

Only the CRM shows you traffic *quality*: channel A delivers cheap leads that don't buy; channel B delivers expensive ones with a high win rate. Without connecting "ad source → sale," you're optimizing for leads, not revenue. Revenue per lead by source is one of the most powerful reports in marketing.

PART 16

Email marketing

Email metrics: deliverability, opens, clicks, unsubscribes, and revenue per email — with an important caveat about why open rate can no longer be treated as an accurate metric.

37. Email metrics: deliverability, opens, clicks

Where to look: your email service provider.

Metric	Formula / meaning	Benchmark*
Delivery Rate	$\text{Delivered} \div \text{sent}$	> 95%
Bounce Rate	$\text{Undelivered} \div \text{sent}$	< 2–3%
Hard / Soft Bounce	Hard (nonexistent address) / soft (temporary) bounce	—
Open Rate	$\text{Opens} \div \text{delivered}$	roughly 15–30%*
Click Rate (CTR)	$\text{Clicks} \div \text{delivered}$	2–5%*
CTOR	$\text{Clicks} \div \text{opens}$ — content quality	10–20%*
Unsubscribe Rate	$\text{Unsubscribes} \div \text{delivered}$	< 0.5%
Spam Complaint Rate	$\text{Spam complaints} \div \text{delivered}$	< 0.1%
Conversion Rate	$\text{Target actions} \div \text{delivered}$	varies
Revenue per Email / per Recipient	$\text{Revenue} \div \text{emails} / \text{recipients}$	varies
List Growth Rate	Net list growth	> 0

* Benchmarks are approximate and depend heavily on the industry, the list, and the type of email. Your own historical data matters more than the market average.

AN IMPORTANT CAVEAT ABOUT OPEN RATE

Open rate **can no longer be treated as an accurate** measure of real interest. Email clients' privacy protections (image preloading and the like) artificially inflate or distort opens. Use open rate as a rough trend, and make decisions based on **clicks, CTOR, and revenue** — those metrics are more reliable.

PART 17

SEO

Organic traffic and visibility metrics: rankings, search clicks and impressions, organic conversions, technical site health, and backlinks — with a caveat about third-party metrics like DR/DA.

38. Organic traffic and visibility metrics

Where to look: Google Search Console (impressions/clicks/positions), your analytics (organic traffic and conversions), and third-party SEO tools (visibility, backlinks).

Metric	What it shows
Organic Users / Sessions	Users and visits from organic search
Impressions (in search)	How many times the site appeared in search results
Clicks / Organic CTR	Clicks from search results and their share of impressions
Average Position	Average position across queries
Keyword Rankings	Rankings for specific keywords
Branded / Non-branded Traffic	Branded vs. non-branded traffic
Organic Conversions / CR	Conversions and organic conversion rate
Indexed Pages / Crawl Issues	Indexed pages and crawl errors
Core Web Vitals	Page speed and loading stability metrics
Backlinks / Referring Domains	Backlinks and referring domains
Visibility	A visibility score in search results (a tool's own metric)
Cannibalization	When several pages compete for the same query

ABOUT DR / DA AND "DOMAIN AUTHORITY"

Metrics like **DR (Domain Rating)** or **DA (Domain Authority)** are *proxy metrics from specific tools* (third-party SEO services), not official Google metrics. Google doesn't publish any single "domain score." You can use them for comparison, but don't present them as "Google's rating." SEO results are delayed (usually by months), so watch the trend and tie organic traffic to conversions, not just rankings.

PART 18

Attribution, incrementality, testing

Who gets credit for the sale, how an attributed conversion differs from an incremental one, and how to test hypotheses with A/B tests without drawing conclusions from noise.

39. Attribution models

Customers rarely buy on the first touch: they see a Reel → Google you → click a retargeting ad → come back from an email. An attribution model decides which touch gets credit for the sale.

Model	Who gets the credit	When it's useful
Last Click	The last click before the conversion	Simple, but undervalues the top of the funnel
First Click	The first touch	Evaluating channels that introduce people to you
Linear	Equally to every touch	When the whole journey matters
Time Decay	More to touches closer to the purchase	Long sales cycles
Position Based (U)	40/40 to the first and last touch, 20 to the middle	Both introduction and closing
Data-Driven	An algorithm distributes credit by contribution	When you have a large volume of data
View-through	Counts an impression with no click	Debatable: inflates the platform's contribution

Attribution ≠ Causation · Attributed ≠ Incremental

The fact that a system **attributed** a sale to a channel doesn't mean the channel **created** it. Retargeting often "intercepts" people who would have bought anyway and takes credit for the sale. Attributed conversions ≠ incremental conversions — the ones that wouldn't have happened without the ads. It's a fundamental difference — see the next chapter.

THE PRACTICAL TAKEAWAY

The default model (often last click) undervalues the top of the funnel — paid social and organic social, which introduce people to you but rarely close directly. Before switching off a channel based on one report, look at its contribution across different models and in incrementality tests.

40. Incrementality: attributed sales ≠ additional sales

The central question of honest measurement: **how many additional sales did the ads create** — not how many were attributed to them. Some customers would have bought without the ads, and crediting them to the ads means overpaying.

HOW INCREMENTALITY IS MEASURED

- **Holdout / control group** — part of the audience isn't shown the ads, and you compare their sales with those who saw them.
- **Lift** — the increase in conversions in the test group compared with the control group.
- **Geo experiments** — you turn ads on in some regions and off in others, then compare the results.

The idea is simple: **the incremental contribution to the business** can be very different from **what the platform attributes**. You don't need to dive deep into statistics — just remember that "the platform attributed 100 sales" and "the ads created 100 additional sales" are two different claims.

41. A/B testing

An A/B test compares two versions to see which works better — but only if the test is set up correctly.

What to test: creative, headline, offer, audience, landing page, CTA, price, form, placement.

HOW TO AVOID FALSE CONCLUSIONS

- **Sample size.** "0% CR on 12 clicks" means nothing — you need volume. Small numbers are noise.
- **Statistical significance.** A difference of 2.1% vs. 2.3% on a hundred visits is almost certainly chance, not a winning variant.
- **One variable at a time.** Change the creative, audience, and landing page all at once and you won't know what worked. To understand the cause, change one thing at a time.
- **Long enough duration.** A one-day test picks up random swings (day of the week, competitors' promotions).

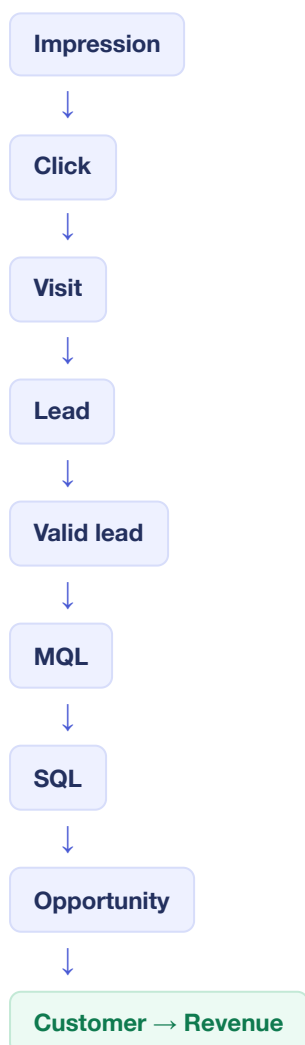
PART 19

Funnel, sales, unit economics (advanced)

The full chain from impression to revenue, with conversion rates at every step; advanced unit economics (contribution margin, maximum CAC/CPA/CPL, blended metrics); a precise comparison of ROAS/ROMI/ROI/ACoS/MER; and cohort retention.

42. The full funnel: from impression to revenue

Every step has its own conversion rate. The final result is the product of all of them, so a leak at any step hits your revenue.



Step	Conversion metric
Impression → Click	CTR
Click → Visit	% who arrive (clicks vs. LPV)
Visit → Lead	Site CR
Lead → Valid lead	Share of valid leads (after removing spam and duplicates)
Valid → MQL	Lead-to-MQL
MQL → SQL	MQL-to-SQL
SQL → Opportunity	Contact rate, appointment/show-up rate
Opportunity → Customer	Close Rate / Sales Conversion

Additional funnel metrics	Meaning
Contact Rate	Share of leads you managed to reach
Appointment / Show-up Rate	Booked / showed up for a meeting
Close Rate	Share closed as a sale
Lead-to-Customer	End-to-end lead-to-customer conversion
Revenue per Lead / per Qualified Lead	Revenue per lead / per qualified lead
Cost per Qualified Lead / per Customer	Cost per qualified lead / per customer

CPL looks good · few SQLs · few sales

WHAT TO CHECK

- Lead quality and qualification (MQL/SQL), contact rate, speed to lead, how the sales team works, sales conversion. Cheap leads are often the wrong leads.

43. Advanced unit economics: margin, contribution, max CAC, blended

TYPES OF PROFIT AND MARGIN

Metric	Meaning
Gross Revenue / Net Revenue	Gross / net revenue (after refunds and discounts)
Variable Costs	Variable costs (grow with every order)
Fixed Costs	Fixed costs (rent, salaries)
Gross Margin	$(\text{Revenue} - \text{cost of goods}) \div \text{revenue}$
Contribution Margin	Revenue – variable costs: what's left to cover fixed costs and profit

Gross Margin $\neq$ Contribution Margin

Gross margin subtracts the cost of goods. **Contribution margin** subtracts *all variable* costs (cost of goods + fees + shipping + payment processing). Contribution margin is what shows how much money is left for marketing and profit on each order — and it's what you use to calculate your maximum CAC.

MAXIMUM VALUES — HOW MUCH YOU CAN AFFORD TO PAY

MAXIMUM CAC (SIMPLIFIED)

Max CAC $\approx$ LTV in profit $\div$ target LTV:CAC

MAXIMUM CPO / CPL

Max CPO = Profit per order $\cdot$ target share for marketing ; Max CPL = Max CPO $\times$ lead-to-sale CR

EXAMPLE

Profit per order (contribution) = \$2,000. You're willing to spend up to 50% on acquisition → Max CPO = \$1,000. Lead-to-sale conversion is 25% → Max CPL = $1,000 \times 0.25 = \$250$. Anything above \$250 per lead on this channel loses money.

BLENDED METRICS: A CHANNEL CAN'T BE JUDGED IN A VACUUM

Metric	What it shows
Paid CAC	CAC for the paid channel only
Blended CAC	All marketing costs ÷ ALL new customers (including organic)
New Customer CAC	CAC counting only new customers (excluding repeat buyers)
MER (Marketing Efficiency Ratio)	Total revenue ÷ total marketing spend
Blended ROAS	Total revenue ÷ total ad spend

WHY BLENDED METRICS MATTER

Channels affect each other: paid social warms up demand that later shows up as "organic" and gets credited there. If you judge each channel strictly in isolation by its own attribution, it's easy to switch off the very thing feeding your entire funnel. **MER and blended metrics** look at marketing as a whole and protect you from that mistake.

CAC ISN'T JUST "SPEND ÷ CUSTOMERS"

You can't automatically calculate CAC as ad spend ÷ customers. A complete CAC requires deciding *which costs* count as acquisition (ads, salaries, tools, creative production). Always clarify which CAC you mean: **paid, blended, or new customer** — they're different numbers, and mixing them up leads to bad decisions.

44. ROAS · ROMI · ROI · ACoS · MER — a precise comparison

These metrics get confused all the time. The difference is in what's in the numerator (revenue or profit) and which costs are in the denominator.

Metric	Numerator	Denominator	Based on
ROAS	Revenue from ads	Ad spend	Revenue
ACoS	Ad spend	Revenue from ads	The inverse of ROAS
MER	Total revenue	Total marketing spend	Revenue (blended)
ROMI	Profit from marketing – costs	Marketing costs	Profit
ROI	Income – costs	All business costs	Profit

ROAS ≠ ROI ≠ ROMI

ROAS and **ACoS** are based on *revenue* and ad spend only. **ROMI** and **ROI** are based on *profit* and include more costs. That's why a 400% ROAS can go hand in hand with a negative ROI when margins are thin. Always clarify which one you mean.

ONE WAY TO WRITE ROAS

The same value is written three ways: **1.0 = 100% = 1x**; **2.0 = 200% = 2x**; **4.0 = 400% = 4x**. In this guide, 4x means "\$4 in revenue for every \$1 spent." The break-even point: **ROAS = 1 ÷ margin** (see Ch. 17).

45. Cohort retention

An overall average retention rate hides the truth: it mixes loyal long-time customers with new ones. **Cohort analysis** groups customers by when they arrived and tracks how each group is retained over time.

EXAMPLE COHORT TABLE (RETENTION, %)

Cohort	M0	M1	M2	M3	M6	M12
January	100%	62%	48%	40%	31%	24%
February	100%	65%	51%	43%	34%	—
March	100%	68%	55%	47%	—	—

How to read it: of the customers who arrived in January, 62% remained after 1 month and 24% after a year. You can see that each new cohort is retained better — the product is improving. A simple "average retention" wouldn't show that.

RETENTION TERMS

Customer retention — the share of customers who stay; **cohort retention** — retention by arrival group; **revenue churn** — churn measured in dollars (it can differ from customer-count churn if it's mostly small or mostly large customers who leave); **DAU / WAU / MAU** — daily/weekly/monthly active users; **stickiness** = $DAU \div MAU$.

PART 20

Diagnostics and metric maps

How to pinpoint a problem quickly from a set of metrics, plus visual maps that tie everything together: the full funnel, the analytics stack, the KPI tree, metrics by role, and how metrics connect.

46. How to read metrics and find the problem

Diagnostics means moving down the funnel from the top: find the first step where a metric is worse than normal and fix that, not whatever is most visible.

HOW IT ALL CONNECTS



KEY DEPENDENCIES

$$\text{CPC} = \text{CPM} \div (\text{CTR} \times 10) \cdot \text{CPL} = \text{CPC} \div \text{CR} \cdot \text{CPO} = \text{CPL} \div \text{CR}_{\text{lead} \rightarrow \text{sale}}$$

That gives you a reading rule: if CPL went up, the culprit is either CPC (the auction or the creative) or the site's CR. If CPL rose while CPC stayed the same, the site's conversion rate dropped. Work your way along the chain.

DIAGNOSTIC MAPS BY AREA

Website: CTR OK · CPC OK · site CR **poor**

WHAT TO CHECK

- The landing page, site speed, UX, ad-to-page match, the offer, the form, technical errors, tracking.

Lead gen: lots of leads · quality low

WHAT TO CHECK

- Targeting and the offer (too broad or too much of a "freebie"), ad wording, qualification, how well the lead magnet matches the product.

Sales: there are sales · there's revenue · there's no profit

WHAT TO CHECK

- Margin, cost of goods (COGS), CAC, contribution margin, operating expenses, ROAS/ROMI. The cause is often traffic that's too expensive for a low margin.

E-commerce: there's traffic · checkout is dropping

WHAT TO CHECK

- The cart and checkout (steps, fields, shipping options and cost), payment methods, the mobile experience, trust signals (reviews, guarantees), speed.

Social media: there's reach · no sales or clicks

WHAT TO CHECK

- The call to action, the link in bio, how well the content matches the product, the content type (entertaining vs. selling), the path from content into the funnel.

Email: delivery OK · opens OK · clicks low

WHAT TO CHECK

- Email content, the offer, the CTA, relevance to the segment. (Open rate is unreliable — go by clicks.)

SEO: rankings are growing · no traffic or conversions

WHAT TO CHECK

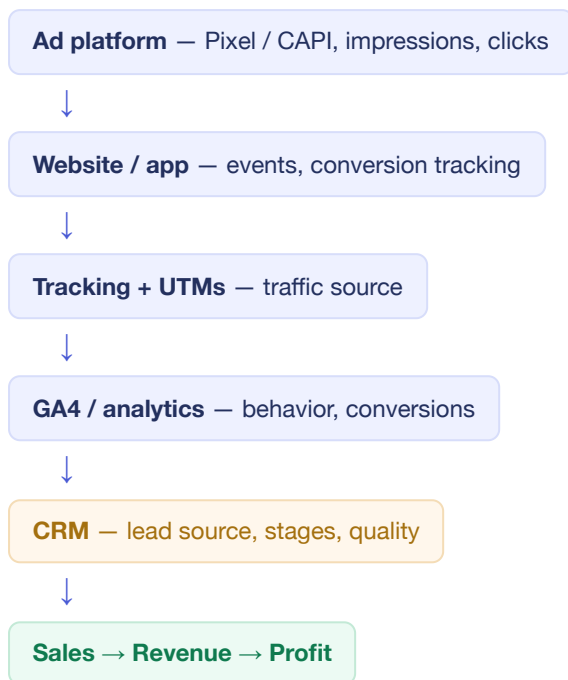
- Search intent match (informational vs. commercial queries), snippets and search CTR, how well the pages convert, keyword cannibalization.

47. Maps: funnel, analytics stack, KPI tree, metrics by role

FULL FUNNEL MAP — METRICS BY STAGE

Stage	Key metrics
Impression / Reach	CPM, Frequency
Click / Visit	CTR, CPC, Bounce
Lead / Valid Lead	CR, CPL, share of valid leads
MQL / SQL	Lead-to-MQL, MQL-to-SQL
Opportunity / Customer	Close Rate, CPO, CAC
Revenue / Profit	AOV, ROAS, contribution margin
Retention / Repeat	Retention, Churn, LTV, RPR

MARKETING ANALYTICS STACK — WHERE EACH NUMBER COMES FROM



KPI TREE: FROM BUSINESS GOAL TO METRIC



Read it from the bottom up as a plan (the breakdown in Ch. 3) and from the top down as a diagnostic. Each level is an area of responsibility and a point of growth.

GOAL → WHICH METRICS TO USE

Goal	Primary KPI	Secondary	Diagnostic
Awareness	Reach / Impressions	CPM / Frequency	CTR, video metrics
Traffic	LPV / CPC	CTR / CPM	Bounce, Engagement, CR
Lead Generation	CPL / cost per qualified lead	CTR / CPC / CR	MQL, SQL, quality
Sales	CAC / CPO / Revenue	CR / AOV	End-to-end funnel
E-commerce	Revenue / ROAS / contribution	AOV / CAC	CVR, cart, checkout

METRICS BY ROLE – WHAT TO FOCUS ON

Social media manager

Reach, ER / ERR, saves, shares, net growth, video completions, link-in-bio clicks.

Paid social specialist (Meta/TikTok)

CPM, Link CTR, CPC, frequency, CR, CPL/CPA, ROAS, video retention, cost per result.

Google Ads specialist

CTR, CPC, Conv. Rate, Cost/Conv, Impression Share (budget/rank), Quality Score, Search Terms.

Performance marketer

CPL, CPO, CAC, ROAS/ROMI, LTV:CAC, MER, blended metrics, end-to-end funnel.

SEO specialist

Organic traffic, rankings, search impressions/clicks/CTR, organic conversion rate, technical health, backlinks.

Email / CRM marketer

Deliverability, clicks, CTOR, unsubscribes, revenue per email, revenue per lead, retention, reactivation.

Head of marketing

CAC, LTV:CAC, ROMI, MER, blended ROAS, % of plan achieved, end-to-end funnel, trends.

Business owner

Revenue, profit, CAC vs. LTV, payback, ad spend as a share of revenue (ACoS/MER).

PART 21

An end-to-end case study

The checklist's final case study: one situation, worked through the full model of "Metric → Signal → Diagnosis → Action → Business impact." All the numbers are synthetic but mathematically consistent — you can recalculate them yourself.

48. When CPL dropped and the business started earning less

How a marketer can improve an ad metric and make the business's economics worse at the same time.

THE BUSINESS: THE SETUP

NordHome (a fictional company) does full-service home renovations. The economics of one job:

Parameter	Value
Average order value (AOV)	\$4,000
Contribution margin	35%
Contribution profit per job (before marketing)	$\$4,000 \times 35\% = \textbf{\$1,400}$
Target CAC	no more than \$600
Channels	Meta Ads · Google Ads

The marketing goal isn't "a cheap lead" — it's enough new customers at a $\text{CAC} \leq \$600$ with positive contribution profit. Keep these two numbers in mind: **\$1,400** in profit per job and a **\$600** CAC ceiling.

MONTH 1 — THE BASELINE

Metric	Value	Calculation
Ad spend	\$10,000	—
Impressions	100,000	—
Clicks	2,000	—
CTR	2.0%	$2,000 \div 100,000$
Sessions	1,600	—
Leads	160	—
CPL	\$62.50	$10,000 \div 160$
Qualified leads	80	—
Qualification rate	50%	$80 \div 160$
Customers	20	—
Close rate (from qualified)	25%	$20 \div 80$
CAC	\$500	$10,000 \div 20$
Revenue	\$80,000	$20 \times \$4,000$
ROAS	8.0×	$80,000 \div 10,000$
Contribution profit (after ads)	\$18,000	$20 \times \$1,400 - \$10,000$

READING THE BASELINE

A CAC of \$500 $\leq$ the \$600 target — the economics are healthy. Each customer brings \$1,400 in profit before ads; after subtracting ad spend, \$18,000 is left. This is the benchmark we'll compare against.

MONTH 2 — AN "IMPROVEMENT" THAT TURNED OUT TO BE A PROBLEM

The marketer changed the campaign setup to "make leads cheaper." On paper, it worked: CPL fell from \$62.50 to \$45.45. Here's the full picture for the month:

Metric	Value	Calculation
Ad spend	\$10,000	—
Impressions	140,000	—
Clicks	2,520	—
CTR	1.8%	$2,520 \div 140,000$
Sessions	1,900	—
Leads	220	—
CPL	\$45.45	$10,000 \div 220$
Qualified leads	70	—
Qualification rate	31.8%	$70 \div 220$
Customers	12	—
Close rate (from qualified)	17.1%	$12 \div 70$
CAC	\$833.33	$10,000 \div 12$
Revenue	\$48,000	$12 \times \$4,000$
ROAS	4.8×	$48,000 \div 10,000$
Contribution profit (after ads)	\$6,800	$12 \times \$1,400 - \$10,000$

THE TRAP

Same \$10,000 budget. CPL is **lower** (\$45.45 vs. \$62.50), and there are **more** leads (220 vs. 160). In the ad account, it looks like a win. But CAC rose to \$833.33 (above the \$600 ceiling), and contribution profit fell from \$18,000 to \$6,800 — by almost two-thirds. The ads "got better"; the business lost.

48 (continued). Comparison and diagnosis

COMPARING THE TWO PERIODS

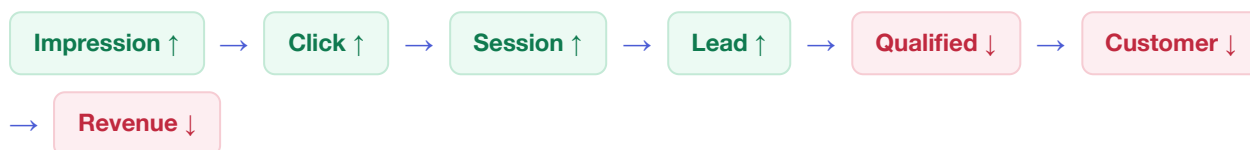
Metric	Month 1	Month 2	Change	What it means
Spend	\$10,000	\$10,000	=	The budget didn't change
Impressions	100,000	140,000	+40%	Broader reach (a cheaper audience)
CTR	2.0%	1.8%	−0.2 pp	Slightly lower interest
Clicks	2,000	2,520	+26%	More clicks
Sessions	1,600	1,900	+19%	More visits
Leads	160	220	+37.5%	More leads ✓
CPL	\$62.50	\$45.45	−27%	Cheaper leads ✓ (leading)
Qualified leads	80	70	−12.5%	Fewer qualified leads ✗
Qualification rate	50%	31.8%	−18.2 pp	Lead quality dropped ✗
Customers	20	12	−40%	Fewer customers ✗
Close rate	25%	17.1%	−7.9 pp	Worse close rate ✗
CAC	\$500	\$833.33	+67%	Customers cost more than the ceiling ✗ (lagging)
Revenue	\$80,000	\$48,000	−40%	Revenue dropped ✗
ROAS	8.0×	4.8×	−40%	Payback dropped ✗
Contribution profit	\$18,000	\$6,800	−62%	Profit collapsed ✗ (business impact)

Two metrics **improved**: lead volume and CPL. Everything else **got worse** — quality, customers, CAC, revenue, profit.

LEADING VS. LAGGING

CPL and lead volume are **leading** metrics (early signals that are easy to game). CAC, revenue, and contribution profit are **lagging** (the bottom line for the business). Judging success by a single leading metric is dangerous: you can improve it while making the outcome worse. That's exactly what happened here.

DIAGNOSIS ALONG THE CHAIN



The entire **upper** funnel (impression → click → session → lead) grew. The collapse starts strictly **after the lead comes in**: at the Lead → Qualified → Customer steps.

WHERE EXACTLY WE LOSE PEOPLE — THE END-TO-END LEAD-TO-CUSTOMER CONVERSION

M1: $50\% \times 25\% = 12.5\%$ of leads become customers · **M2: $31.8\% \times 17.1\% = 5.45\%$**

THE COST OF THE DROP IN QUALITY

If lead quality in Month 2 had stayed at Month 1 levels (50% qualified, 25% close rate), 220 leads would have produced $220 \times 50\% \times 25\% = 27\text{--}28$ customers, not 12. The loss ≈ 15 customers $\times \$1,400 = \approx \$21,000$ in missed contribution profit on the same budget. The problem isn't the cost of a lead — it's what happened to the lead afterward.

WHAT A BEGINNER SEES

"220 leads instead of 160. CPL of \$45.45 instead of \$62.50. The campaign got more efficient."

The conclusion rests on two leading metrics and stops halfway down the funnel. It's **incomplete**: it never gets to customers, CAC, or profit.

WHAT AN ANALYST SEES

Lead volume ↑ · CPL ↓ · Qualified ↓ · Qual. rate ↓ · Customers ↓ · CAC ↑ · Revenue ↓ · Contribution ↓

Optimizing an intermediate metric made the business result worse. The cheap lead turned out to be economically worse than the expensive one, because it turns into money less often.

49. A channel-by-channel breakdown, actions, and recovery

META VS. GOOGLE — WHERE THE PROBLEM STARTED

A blended metric hides the source. Let's break both months down by channel (the budget is split \$6,000 Meta / \$4,000 Google in both periods):

Channel / period	Spend	Leads	CPL	Qual. rate	Customers	CAC	Contribution*
Meta — M1	\$6,000	100	\$60.00	50%	12	\$500	+\$10,800
Google — M1	\$4,000	60	\$66.67	50%	8	\$500	+\$7,200
Meta — M2	\$6,000	160	\$37.50	25%	4	\$1,500	-\$400
Google — M2	\$4,000	60	\$66.67	50%	8	\$500	+\$7,200

* Contribution profit after ads = Customers × \$1,400 – channel spend. Channel totals match the overall totals: M1 leads 100+60=160, customers 12+8=20; M2 leads 160+60=220, customers 4+8=12.

WHAT THE BREAKDOWN SHOWS

Google didn't change: CPL ≈ \$66.67, 50% qualified, CAC \$500, profit +\$7,200 — steady. The entire collapse is in **Meta**: CPL there actually *fell even further* (\$60 → \$37.50), but qualification halved (50% → 25%), CAC tripled (\$500 → \$1,500), and the channel went **negative** (−\$400). It was Meta's cheap leads that diluted the blended CPL and created the illusion of improvement.

A CONCLUSION WITHOUT LABELS

This does **not** mean "Meta is a bad channel." In Month 1, Meta was the most profitable channel (+\$10,800). The problem is tied to a *specific change* at the campaign level: a broader or cheaper segment and/or switching the optimization event toward lead volume rather than lead quality. The channel isn't to blame — the setup is.

DIAGNOSTIC TREE

Diagnostic step	Answer in this case	What data to check
CPL ↓ — did things get better?	Not necessarily — keep going	Don't stop at CPL
More leads?	Yes (160 → 220)	Lead volume by source
Did lead quality hold up?	It dropped (qualified 50% → 31.8%)	Qualification rate in the CRM by source
Did the close rate hold up?	It dropped (close 25% → 17.1%)	Close rate from qualified leads
What happened to CAC?	It rose (\$500 → \$833)	CAC overall and by channel
What happened to revenue?	It fell (\$80K → \$48K)	Revenue by source
What happened to profit?	It collapsed (\$18K → \$6.8K)	Contribution profit — the final judge



ACTION: THE SEQUENCE

1. Open the CRM and check **lead quality** based on what actually happened, not on the ad account.
2. Segment leads **by source** (Meta / Google / campaign).
3. Compare channels by CAC and contribution, not by CPL.
4. Check which **targeting changes** were made before the drop.
5. Check the **optimization event**: what the campaign is optimizing for (clicks/leads vs. qualified leads/purchases).
6. Check the **creative and the promise** in the ads (are they attracting freebie hunters?).
7. Check the **match** between the ad, the offer, and the landing page.
8. Bring back the higher-quality segment / optimization event in Meta.
9. Run a **test** (see A/B testing, Ch. 41) on one channel, changing one variable.
10. Judge the outcome **not by CPL** but by CAC and contribution profit.

MONTH 3 — AFTER THE FIX

Meta was switched back to optimizing for quality (a narrower segment, an event closer to the sale). Leads got **more expensive** than in Month 2 — and that's exactly right:

Channel / period	Spend	Leads	CPL	Qual. rate	Customers	CAC	Contribution*
Meta — M3	\$6,000	100	\$60.00	55%	13	\$461.54	+\$12,200
Google — M3	\$4,000	60	\$66.67	50%	8	\$500.00	+\$7,200

Company total	Month 1	Month 2	Month 3
CPL	\$62.50	\$45.45	\$62.50
Qualification rate	50%	31.8%	53.1%
Close rate	25%	17.1%	24.7%
Customers	20	12	21
CAC	\$500	\$833.33	\$476.19
Revenue	\$80,000	\$48,000	\$84,000
ROAS	8.0×	4.8×	8.4×
Contribution profit	\$18,000	\$6,800	\$19,400

M3 check: leads $100+60=160 \rightarrow \text{CPL } 10,000 \div 160 = \62.50 ; customers $13+8=21 \rightarrow \text{CAC } 10,000 \div 21 = \476.19 ; qualification rate $(55+30) \div 160 = 53.1\%$; close $21 \div 85 = 24.7\%$; revenue $21 \times \$4,000 = \$84,000$; contribution $21 \times \$1,400 - \$10,000 = \$19,400$.

THE KEY PARADOX

CPL in Month 3 (\$62.50) is **higher** than in the "successful" Month 2 (\$45.45). But customers got **cheaper**: a CAC of \$476.19 vs. \$833.33. **The more expensive lead produced a cheaper customer** — because it turns into a deal more often. Profit recovered and beat the baseline: \$19,400 vs. \$18,000.

Cheap lead $\neq$ cheap customer

M2: lead \$45.45, customer \$833.33. M3: lead \$62.50, customer \$476.19. The cost of a lead and the cost of a customer can move in **opposite** directions. What you need to manage is the cost of a customer and profit; the lead is just an intermediate signal.

WHAT TO REMEMBER

7 TAKEAWAYS FROM THE CASE

1. **CPL $\neq$ CAC.** Cost per lead and cost per customer are different metrics, and they can diverge.
2. **A lead $\neq$ a customer.** Between them are qualification and closing — and that's where the money gets lost.
3. **More leads $\neq$ more business.** More leads at lower quality = less profit.
4. **A cheap lead can be economically worse than an expensive one.**
5. **Always connect any ad metric to the next stage of the funnel.**
6. **The final evaluation goes all the way to revenue / contribution profit** — it doesn't stop at CPL.
7. **Optimize the system, not a single metric.**

THE REAL QUESTION

Don't just ask, "What does a lead cost?" Ask: **"What does a customer cost, and how much money do they generate?"**

SEE ALSO

Topic	Where in the checklist
Funnel and end-to-end conversion	Part 7 · Part 19, Ch. 42
Leads and sales, qualification	Part 4 · Part 19, Ch. 42
Unit economics, contribution margin	Part 5 · Part 19, Ch. 43
ROAS, ROI, profitability	Part 5, Ch. 16 · Part 19, Ch. 44
CRM and sales analytics	Part 15, Ch. 36
Diagnostic playbook	Part 20, Ch. 46
KPI relationship map	Appendix E
Quick reference	Appendix F

APPENDICES

Cheat sheets and reference

Everything important on a few pages: formulas, benchmarks, and a glossary of terms. Keep it handy.

Appendix A. Every formula on one page

Metric	Formula
CPM (cost per 1,000 impressions)	$\text{Spend} \div \text{Impressions} \times 1,000$
CTR (click-through rate)	$\text{Clicks} \div \text{Impressions} \times 100\%$
CPC (cost per click)	$\text{Spend} \div \text{Clicks}$
Frequency	$\text{Impressions} \div \text{Reach}$
ER (engagement rate)	$\text{Engagements} \div \text{Followers} \times 100\%$
ERR (engagement rate by reach)	$\text{Engagements} \div \text{Reach} \times 100\%$
VTR (view-through rate)	$\text{Completed views} \div \text{Video impressions} \times 100\%$
CR (conversion rate)	$\text{Target actions} \div \text{Visitors} \times 100\%$
CPL (cost per lead)	$\text{Spend} \div \text{Leads}$
CPA (cost per action)	$\text{Spend} \div \text{Actions}$
CPO (cost per order)	$\text{Spend} \div \text{Orders}$
AOV (average order value)	$\text{Revenue} \div \text{Orders}$
ARPU (revenue per user)	$\text{Revenue} \div \text{All users}$
ARPPU (revenue per paying user)	$\text{Revenue} \div \text{Paying users}$

CAC (customer acquisition cost)	$\text{Total acquisition costs} \div \text{New customers}$
LTV (customer lifetime value)	$\text{Avg. order} \times \text{Margin} \times \text{Lifetime purchases}$
LTV / CAC	$\text{LTV} \div \text{CAC (healthy } \approx 3)$
ROAS (return on ad spend)	$\text{Revenue} \div \text{Ad spend} \times 100\%$
ACoS (advertising cost of sale)	$\text{Spend} \div \text{Revenue} \times 100\%$
ROMI (return on marketing investment)	$(\text{Profit} - \text{Costs}) \div \text{Costs} \times 100\%$
ROI (return on investment)	$(\text{Income} - \text{Costs}) \div \text{Costs} \times 100\%$
Margin	$(\text{Price} - \text{Cost of goods}) \div \text{Price} \times 100\%$
Break-even ROAS	$1 \div \text{Margin}$
Payback (customer payback period)	$\text{CAC} \div \text{Monthly profit per customer}$
Churn	$\text{Customers lost} \div \text{Customers at start} \times 100\%$
Retention	$100\% - \text{Churn}$
NPS	$\% \text{ promoters} - \% \text{ detractors}$
CSAT	$\text{Satisfied responses} \div \text{All responses} \times 100\%$
CPV (cost per view)	$\text{Spend} \div \text{Video views}$
Link CTR	$\text{Link clicks} \div \text{Impressions} \times 100\%$
CTOR (email)	$\text{Clicks} \div \text{Opens} \times 100\%$
Bounce Rate	$\text{Bounces} \div \text{Sessions} \times 100\%$
Conv. Value / Cost (ROAS Google)	$\text{Conversion value} \div \text{Spend}$
Gross Margin	$(\text{Revenue} - \text{Cost of goods}) \div \text{Revenue} \times 100\%$
Contribution Margin	$(\text{Revenue} - \text{Variable costs}) \div \text{Revenue} \times 100\%$

Max CPO	$\text{Profit per order} \times \text{Target share for marketing}$
Max CPL	$\text{Max CPO} \times \text{Lead-to-sale CR}$
MER	$\text{Total revenue} \div \text{Total marketing spend}$
Blended CAC	$\text{All marketing costs} \div \text{All new customers}$
Blended ROAS	$\text{Total revenue} \div \text{Total ad spend}$
Repeat Purchase Rate	$\text{Customers with 2+ purchases} \div \text{All customers} \times 100\%$
Revenue per Lead	$\text{Revenue} \div \text{Number of leads}$
Lead-to-Customer	$\text{Customers} \div \text{Leads} \times 100\%$
Win Rate / Close Rate	$\text{Won deals} \div \text{All deals} \times 100\%$
Stickiness	$\text{DAU} \div \text{MAU}$
Engagement Rate (GA4)	$\text{Engaged sessions} \div \text{All sessions} \times 100\%$
Follower Growth Rate	$\text{Net growth} \div \text{Starting count} \times 100\%$
Impression Share	$\text{Impressions received} \div \text{All eligible impressions} \times 100\%$

Notation is consistent throughout: "spend" means ad spend for the period; percentages are multiplied by 100%; LTV:CAC uses profit unless stated otherwise.

Appendix B. Benchmarks table (with context)

These are reference points, not norms. Every value depends on the channel, platform, goal, industry, geography, audience, B2B vs. B2C, funnel stage, and time period.

Benchmark ≠ KPI

A benchmark is a market-wide average — a reference point for a rough estimate. A KPI is your target metric for a specific task. An average benchmark doesn't replace a goal. What's more, **your own project's historical data** is almost always more useful than the market average — compare yourself with your past self, not with an abstract "average."

HOW TO READ THIS TABLE

The values below are *commonly seen ranges*, not "good/bad." For many metrics, there simply **is no** universal benchmark — it's more honest to say "it depends." Don't make a decision just because you're "below average": your industry may have a different normal range.

Metric	Benchmark	Comment
Search CTR	3–6%+	Warm demand
Paid social CTR (feed)	0.8–2%	Depends on creative
Display CTR	0.05–0.2%	Display ads
Frequency (performance)	up to 3–5	Higher means fatigue
Landing page → lead CR	2–6%	Services
Store → purchase CR	1–3%	E-commerce
Lead → sale CR	15–40%	Depends on the sales team
ER (20K–100K followers)	1.5–3%	Falls as the audience grows
Email Open Rate	15–30%	Depends on the list
Email CTR	2–5%	—
Email Unsubscribe	< 0.5%	Higher is a red flag
LTV / CAC	≈ 3	Healthy economics
NPS	> 30 good, > 50 excellent	From –100 to +100
Email CTOR	10–20%	Depends on the list and the email type
Email Delivery Rate	> 95%	Lower means a list or reputation problem
Spam Complaint Rate	< 0.1%	Higher risks getting your sending blocked
Quality Score (Google)	7–10 is good	Affects CPC; depends on the industry

Search Impression Share	The higher, the better	No universal value — depends on budget/rank
CPM / CPC / CPL by channel	No universal value	Depends heavily on geography, industry, and the auction
Video Completion Rate	Depends on length and platform	Higher for short-form video; no single norm
Bounce Rate	Landing page 30–50%, blog 70%+	Depends on page type

Appendix C. Glossary

Term	Meaning
KPI	Key performance indicator — a metric designated as the main one for a goal
Vanity metric	A good-looking number that doesn't help you make decisions (likes, total reach)
Leading / Lagging	Leading (early signal) and lagging (final result) metrics
North Star Metric	The single main metric of product value that growth is built around
Impressions / Reach	All contacts with an ad / unique people who saw it
Lead	A potential customer who left their contact info or took a target action
MQL / SQL	A lead nurtured by marketing / a lead vetted by sales and ready for a deal
CAC	The full cost of acquiring one paying customer
LTV (CLV)	How much money a customer brings in over their entire relationship with the company
ROAS	Return on ad spend, based on revenue
ACoS	Ad spend as a share of revenue (the inverse of ROAS)
ROMI / ROI	Return on marketing / all investment, based on profit
Margin	The share of the price left after subtracting the cost of goods
Unit economics	Checking profitability per customer or per order
Churn / Retention	Customer churn / retention over a period

Funnel	The sequence of stages in the customer journey, with a conversion rate at each step
Attribution	The rule for splitting credit for a sale among channels/touchpoints
End-to-end analytics	Connecting ad touchpoints to actual sales and revenue
AARRR	The growth funnel: Acquisition, Activation, Retention, Revenue, Referral
NPS / CSAT / CES	Loyalty, satisfaction, and customer effort scores
Impressions	How many times an ad was shown, including repeat views
Frequency	$\text{Impressions} \div \text{reach}$; the average number of impressions per person
CPM	Cost per mille — cost per 1,000 impressions
CPC	Cost per click
CTR	Click-through rate — $\text{clicks} \div \text{impressions}$
Link CTR	CTR based on link clicks only
Outbound CTR	CTR based on clicks that take people off the platform
CTR (All)	CTR based on all clicks, including likes and profile clicks
Landing Page Views (LPV)	Landing page loads after a click
CPV	Cost per view — cost per video view
ThruPlay	Meta: a video watched to the end or for 15+ seconds
VTR	View-through rate — the share of views watched to the end
Completion Rate	The share of full video views
Watch Time	Total/average watch time

Hook Rate	The share of viewers retained in a video's first seconds (used in some contexts)
ER / ERR	Engagement rate — by followers / by reach
Saves / Shares	Saves / shares — "heavy" signals for the algorithms
Story Completion Rate	The share of people who watched a Story to the end
Story Exit Rate	The share of people who exited the Stories
Profile Visits	Profile visits
Follower Growth Rate	The net audience growth rate, in %
UGC	User-generated content — content created by users
Lead / Raw / Valid / Qualified Lead	A lead: raw / valid / qualified
Opportunity / Deal	A deal in progress / a closed deal
Won / Lost	A won / lost deal
CR	Conversion rate
CPL / CPA / CPO / CPI	Cost per lead / action / order / install
Lead Score	A points-based rating of lead quality
Contact Rate	The share of leads you managed to reach
Show-up Rate	The share who made it to a meeting/call
Close Rate / Win Rate	The share of deals that closed
Sales Cycle	Average deal length
Pipeline	The CRM deal pipeline and its value
Revenue per Lead	Revenue ÷ number of leads

Revenue / Gross / Net Revenue	Revenue: total / gross / net (after refunds and discounts)
AOV	Average order value
ARPU / ARPPU	Revenue per user / per paying user
Paid / Blended / New Customer CAC	CAC for the paid channel / across all channels / for new customers only
LTV / CAC	The ratio of customer value to acquisition cost (benchmark ≈ 3)
Gross Margin	Gross margin — after the cost of goods
Contribution Margin	Contribution profit — after all variable costs
COGS	Cost of goods sold
Variable / Fixed Costs	Variable / fixed costs
Break-even / Break-even ROAS	The break-even point / minimum ROAS = $1 \div \text{margin}$
Max CAC / CPA / CPL	The maximum values at which unit economics still stay positive
Payback Period	How long it takes to earn back the cost of acquiring a customer
MER	Marketing efficiency ratio — total revenue $\div$ total marketing spend
Blended ROAS / CAC	ROAS/CAC calculated across all channels combined
Cohort Retention	Retention by groups of customers formed by when they arrived
Revenue Churn	Churn in dollars (can differ from churn by customer count)
Repeat Purchase Rate	The share of customers who bought again
DAU / WAU / MAU	Daily / weekly / monthly active users
Stickiness	DAU $\div$ MAU — how often people come back

GA4	Google Analytics 4 — event-based analytics
Event / Key Event	An event / key event (formerly "conversion") in GA4
Session / Engaged Session	A session / engaged session (10+ seconds, 2+ page views, or a key event)
Source / Medium / Campaign	Traffic source / medium / campaign
UTM	Link tags that identify the traffic source
Pixel / CAPI	Tracking code on the site / server-side event tracking
Conversion Tracking	Setting up tracking for target actions
Attribution Window	The window during which a conversion is credited to a touchpoint
Last / First Click	Last-touch / first-touch attribution models
Linear / Time Decay / Position Based	Models that split credit among touchpoints
Data-Driven Attribution	Attribution based on algorithmically calculated contribution
View-through / Click-through	View-through (no click) / click-through attribution
Assisted Conversions	Conversions where a channel was involved but wasn't the last touch
Incrementality	Additional sales created specifically by the ads
Holdout / Control Group	A group that doesn't see ads, used to measure incrementality
Lift	The increase in conversions in the test group vs. the control group
Geo Experiment	An experiment that turns ads on by region
Deduplication	Removing double-counting of one conversion across systems
Impression Share	The share of possible impressions you received (Google Ads)

Quality Score	Google Ads' keyword quality rating (1–10)
Ad Rank	Your ad's position in the Google auction
Search Terms / Negative Keywords	Actual search queries / negative keywords
Match Types	Keyword match types
Branded / Non-branded	Branded vs. non-branded traffic
Lookalike	An audience similar to your customer list
Retargeting	Ads shown to people who've already interacted with you
Organic Traffic	Free traffic from search
SERP	Search engine results page
Average Position	The site's average position across queries
Core Web Vitals	Page loading speed and stability metrics
Backlink / Referring Domain	A backlink / referring domain
DR / DA	Proxy "domain authority" metrics from third-party SEO tools (not Google metrics)
Cannibalization	Your own pages competing for the same query
Open Rate	Email open rate (inaccurate because of privacy protections)
CTOR	Click-to-open rate — clicks ÷ opens
Delivery Rate / Bounce	The share of emails delivered / not delivered
Unsubscribe / Spam Rate	The share of unsubscribes / spam complaints
A/B Test	Comparing two versions to pick the better one
Statistical Significance	Confidence that a difference isn't due to chance

Sample Size	The sample size needed for a reliable conclusion
ToFu / MoFu / BoFu	Top / middle / bottom of the funnel
Push / Pull	Creating demand / capturing existing demand
PESO	Paid, Earned, Shared, Owned — a way to classify channels
Promotion Mix	The promotion mix: advertising, PR, sales promotion, personal selling, and direct marketing
STP	Segmentation → Targeting → Positioning
Benchmark	A market-average reference point (not a KPI and not a norm)
AIDA / PAS / BAB / FAB	Copywriting formulas (see Ch. 27)
4U / ACCA / QUEST / ODC	Formulas for headlines and sales copy

Appendix D. Metrics people mix up

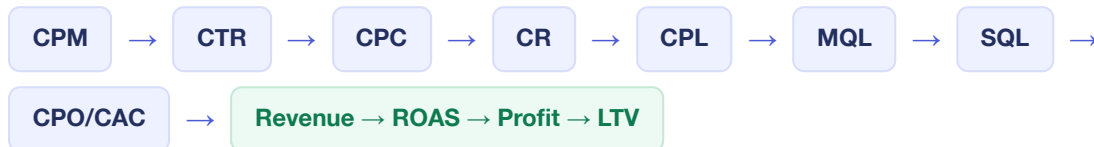
The pairs that most often lead to wrong conclusions. Keep the differences handy.

Don't confuse	The difference
CAC ≠ CPO ≠ CPA	CAC is the full cost of a paying customer (including salaries/tools); CPO is the cost of an order from ads; CPA is the cost of any action
ROAS ≠ ROI ≠ ROMI	ROAS is based on revenue and ads only; ROI/ROMI are based on profit and include all costs
Revenue ≠ Profit	Revenue is "how much came in"; profit is "how much is left" after expenses
Reach ≠ Impressions	Reach is unique people; impressions are all contacts, including repeats
CTR ≠ CR	CTR is the share of impressions that clicked; CR is the share that took the target action
CPC ≠ CPM	Cost per click ≠ cost per 1,000 impressions
ER ≠ ERR	Engagement by followers ≠ engagement by reach (people who actually saw it)
Lead ≠ Customer	A lead left their contact info; a customer paid
MQL ≠ SQL	Nurtured by marketing ≠ vetted by sales and ready for a deal
AOV ≠ ARPU	Average order value (per order) ≠ revenue per user
LTV ≠ AOV	Lifetime value ≠ one average order
Retention ≠ Repeat Purchase Rate	Retention (still a customer) ≠ the share who made a repeat purchase
CPA ≠ CAC	Cost per action ≠ the full cost of acquiring a customer
Gross Margin ≠ Contribution Margin	After cost of goods ≠ after all variable costs
Attribution ≠ Incrementality	An attributed sale ≠ an additional sale created by the ads
Attributed ≠ Incremental conversions	What the system credited ≠ what the ads actually added
Benchmark ≠ KPI	A market-average benchmark ≠ your target metric
Users ≠ Sessions ≠ Events	People ≠ visits ≠ actions within visits
CTR (All) ≠ Link CTR	All clicks (likes, profile) ≠ link clicks

Appendix E. How metrics connect and depend on each other

Metrics don't live in isolation. These connections are the foundation of diagnostics: when one changes, it pulls others along with it.

THE END-TO-END FUNNEL CHAIN



FORMULA RELATIONSHIPS

CPC ↔ CPM ↔ CTR

$$\text{CPC} = \text{CPM} \div (\text{CTR} \times 10)$$

If CPM goes up → CPC may go up. If CTR goes up at the same CPM → CPC goes down.
Takeaway: it's often cheaper to raise CTR with creative than to hunt for "cheap traffic."

CPL ↔ CPC ↔ CR

$$\text{CPL} = \text{CPC} \div \text{CR}$$

If CPC stays the same but the site's CR drops → CPL goes up. So a rising cost per lead isn't always "bad traffic" — sometimes it's a broken landing page.

CPO ↔ CPL ↔ LEAD-TO-SALE CONVERSION

$$\text{CPO} = \text{CPL} \div \text{CR}_{\text{lead} \rightarrow \text{sale}}$$

OTHER KEY RELATIONSHIPS

$$\text{CAC} \leftrightarrow \text{LTV} \cdot \text{ROAS} \leftrightarrow \text{Margin} \cdot \text{Retention} \leftrightarrow \text{LTV} \cdot \text{Frequency} \leftrightarrow \text{Reach} \leftrightarrow \text{Impressions} \cdot \text{AOV} \leftrightarrow \text{Revenue}$$

HOW TO USE THIS

When a bottom-line metric (ROAS, profit) drops, don't go after it directly — work your way up the chain and look for the **first** metric that deviated from normal. Fix that, not the symptom.

Appendix F. Quick reference

MARKETING REPORT TEMPLATE

Build the report in this order — from money to details. The main rule: **don't show 40 metrics without a conclusion.**

#	Section
1	The period's goal and % achieved
2	Budget and actual spend
3	Reach and traffic
4	Leads and qualified leads
5	Sales and revenue
6	CAC, ROAS / ROMI, ACoS / MER
7	Key changes vs. the previous period
8	Main problems and bottlenecks
9	Tests run and their results
10	Action plan for the next period

IF A METRIC WENT UP OR DOWN — WHAT TO CHECK

The metric that changed	The first thing to check
CPM ↑	The auction, frequency/fatigue, a narrower audience, seasonality
CTR ↓	The creative, the hook, the offer, audience fit
CPC ↑	CPM or CTR (see the relationship $CPC = CPM \div (CTR \times 10)$)
Site CR ↓	The landing page, speed, ad match, the form, tracking
CPL ↑ at the same CPC	The site's conversion rate dropped
Lots of leads, few sales	Lead quality, qualification, the sales team
ROAS is high, but there's no profit	Margin, cost of goods, full CAC
Retention ↓ / Churn ↑	The product, onboarding, service, expectations vs. reality
The numbers don't match across systems	That's normal (attribution, windows, deduplication) — see Ch. 34

THE CORE PRINCIPLE OF THIS GUIDE

Open the metric you need → understand its meaning, formula, and context → see what to read it alongside and what it affects → find what to check. A metric without context lies; a metric taken all the way to money and its connections lets you manage the business.

Measure it — then manage it

Metrics don't make marketing more complicated. They make it *honest*: you can see what works and what's self-deception.

Keep this checklist handy. Come back to the formulas. Take every metric all the way to money.