6 Marketing Metrics Every Business Should Track

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Businesses can't improve what they don't know needs to be improved — nor can they double down on what works if they don't know what is actually working. Data reveals both and answers the most critical questions to help a business grow.

The more information companies can learn about their current and future customers, the more effective marketing efforts will be. But what digital marketing metrics should businesses track to help stimulate growth?

Here's a breakdown of the top six metrics every business should be looking to optimize this year.

1. Traffic sources

You need to know where your website visitors are coming from. Did they visit your website after searching for you? Was it after clicking on a referral partner's link? Was it after seeing a social media post? Knowing how many people visit your website every month is essential, but it's equally valuable to identify how they're finding you.

These are critical insights that will help you prioritize optimizing the most successful channels and make improvements to those underperforming.

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2. Time on site

When visitors browse your website, it’s meaningful to discover how long they’re browsing. This valuable metric reveals how interested visitors are in your content and if you are attracting exemplary visitors.

If you see that visitors are only browsing on your website for a few seconds, it could be an indicator that they either didn’t end up on the site they were looking for or quickly realized they’re disinterested in what you’re offering. On the flip side, if you see that visitors are on your website for multiple minutes, it can signal that you have content the market is interested in. A dream scenario for every business is to have low bounce rates and high times on the site.

3. Engagement

When posting on social media, sending promotional emails, or displaying ads, it’s only natural for a marketer to measure engagement rates. For example, are there some Instagram posts with more likes than others? Are there specific days that get better post response, open rate or click rate than others? Knowing audience engagement preferences and habits will help you communicate with them better.

This metric will help you optimize when to send or post promotions and how often. It will also guide you in content creation since you will have visibility into what people are responding to the most and least.

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4. Customer Acquisition Cost (CAC)

There is a cost associated with every customer – acquiring customers for free is a marketing fairytale. Businesses need

to measure how much it costs to acquire customers throughout their buying journey.

This metric will help understand whether or not a campaign was indeed successful, if your investment was well spent, how to maximize the marketing budget and will affirm whether or not you're targeting the right buyers.

5. Customer Lifetime Value (CLV)

Loyalty is hard to come by, but it's easy to measure. How much customers are likely to spend on your brand during their lifetime is an essential metric to consider how much to invest in marketing to them. This is an important metric that indicates the total financial value a customer brings.

There are segments within your customer database – from repeat buyers to those who browse around – and marketing spend is rarely treated when trying to reach them. This metric will help you decide where to invest the most.

6. Brand equity

Become an expert on your audience, so you know how they view you and your products. Nike, Coca-Cola, and Calvin Klein are all names you recognize, even if you don't buy their products. Most people purchase tissues and refer to them as "Kleenex," whether or not they're purchasing that brand. Your brand equity can equal brand value depending on the customer.

Analyzing your brand strength will help you know how strong you are in the market and if customers prefer your brand over competitors. It will also be a relevant factor in whether or not customers are willing to pay more for your products since they find your brand valuable.

Case and point: Thousands of accessory companies make bags under $20, but there are 5,556 Louis Vuitton stores in

operation, where the cheapest bag was once reported at $790. Your brand equity may change over time, so this metric is one to monitor continuously.

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There is so much data available, and it’s easy to be overwhelmed with information. Instead, focus on the metrics that matter the most to your business. When thinking about what to measure, start here: What questions do I need answers to about my brand and customers? Then look to data to find the answers.

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