

How To Improve E-Commerce KPIs

Checklist for Setting KPIs

- Review current data
- Compare industry averages
- Assess your company's growth
- Align goals with your business plan
- Set SMART Goals

KPIs to Track as a Small E-Commerce Business:

1. Conversion Rate

The industry average is 2.17%. Calculate your conversion rate by dividing the number of sales (conversions) by your number of site visitors.

Tips for Improving Conversion Rates:

- Offer free shipping
- Use an [automated repricing platform](#)
- Increase your seller rating
- Run promo offers
- Optimize your listings

2. Shopping Cart Abandonment Rate:

The overall e-commerce average is 69.82%. Calculate your percentage by the number of completed purchases divided by shopping cart abandonments.

Tips for Improving Shopping Cart Abandonment Rate:

- Improve the Checkout Process:
- Use an Exit Pop-Up:
- Create Abandoned Cart Emails

3. Average Order Value (AOV):

Industry average varies based on several factors. To calculate your company's average order value, divide your total revenue by the number of orders placed.

Tips for Improving your AOV:

- Use an [inventory management tool](#)
- Offer [bundles or multipacks](#)

4. Inventory Turnover Ratio (ITR):

Calculate your ITR by dividing the cost of goods sold from the average inventory moved within the same period. High ITR means sales are strong. Low LTV means sales are weak.

Tips for Improving ITR:

- Adopt an intelligent [pricing strategy](#)
- Automate your stock by using an [inventory management tool](#)

5. Customer Lifetime Value (CLTV):

Set a KPI that's 10% over your current CLTV. Calculate the average order value and multiply it by the average purchase number in the same period to find your CLTV.

Tips for Improving your CLTV:

- Win sales by preventing out-of-stock items by automating inventory
- Stay competitive with pricing
- Encourage customer loyalty

Want to learn more about how we can help you reach your e-commerce KPIs as a small business? [Start a free 14-day trial of our service today to get started.](#)