

PERFORMANCE MARKETING · E-COMMERCE · GCC

The E-Commerce KPI Guide: What's Really Behind Your Numbers

Your ROAS looks great. So why isn't the business making money? The KPI framework Acquisit applies across \$250M+ of ad investment in the GCC.

50+

E-commerce accounts

\$250M+

Ad investment under management

40

Countries covered

Inside this guide:

- 01 The trap: how blended numbers hide losing businesses
- 02 The fix: splitting acquisition from retention
- 03 The right KPIs for each role, from CEO to media buyer
- 04 Five concepts for finding scale, from marginal CAC to entry products
- 05 The one-page takeaway to run on your own account this week

This guide reflects Acquisit's standardized methodology and aggregated learnings across client accounts. It does not disclose client-specific strategies or proprietary data.

The trap: blended numbers hide losing businesses.

Meet Amara Beauty, a fictional skincare brand in the UAE and KSA: \$350k monthly revenue, \$80k monthly ad spend across Meta and Google. Their dashboard says everything is fine: blended ROAS 4.4, revenue growing +8% MoM, spend within budget.

Then someone splits the numbers into **new vs. returning customers**:

THE SPLIT VIEW: WHAT'S ACTUALLY HAPPENING

Metric	New customers	Returning customers
Revenue	\$132,000	\$220,000
Ad spend allocated	\$62,000	\$18,000
ROAS	2.1	12.2
CAC (new)	\$56	-
First-order contribution margin	\$38	-

ONE ROAS, TWO REALITIES



The real story:

- The brand pays **\$56** to acquire a customer whose first order contributes **\$38**. Every new customer starts \$18 underwater.
- The blended 4.4 was carried by returning customers, people who would likely have bought anyway. The acquisition engine is losing money on every transaction, and the retention engine is masking it.

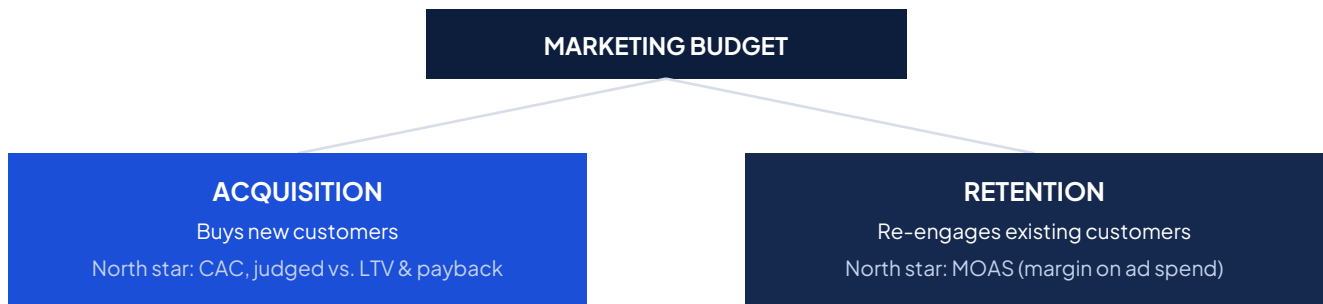
Whether this is acceptable depends on one question the blended view can never answer: how much is a new customer worth over time, and how long does it take to recover the \$56? If LTV is \$180 and payback is 4 months, this is healthy growth. If LTV is \$70 and payback is 14 months, the brand is burning cash while reporting a great ROAS.

≡ THE MOST COMMON BLIND SPOT WE FIND

Across e-commerce accounts in the GCC, this is the single most frequent issue: not bad marketing, bad measurement. If your reporting doesn't separate new from returning customers, you cannot know whether growth is real.

The fix: stop blending. Split acquisition from retention.

Acquisition and retention are **two different businesses, funded by the same budget**, and they must be judged by different KPIs.



ACQUISITION vs. RETENTION: TWO DIFFERENT BUSINESSES

	Acquisition	Retention
What it does	Buys new customers	Re-engages existing customers
North-star KPI	CAC (new customers only)	ROAS, or better, MOAS (margin on ad spend)
Judged against	LTV, payback period, contribution margin	Incremental margin generated
Typical failure mode	CAC quietly exceeds first-order economics	Ads take credit for revenue that would have happened anyway

WHY THE SPLIT MATTERS

Blended numbers always flatter the account. Returning-customer revenue is cheap to generate and inflates any blended ratio.

The two buckets justify budget differently. Acquisition is an investment, judged on LTV and payback. Retention is a profit lever, judged on margin.

Opportunities hide in the split. Breaking down by channel, category and product reveals where acquisition is efficient and where scale is available.

≡ MOAS: THE MORE HONEST RETENTION METRIC

ROAS measures revenue and ignores product margin. A retention campaign on a low-margin category can show a great ROAS while adding little profit. MOAS (margin on ad spend) measures what actually lands in the P&L. If you track one retention number, make it MOAS.

The right KPIs for each role.

The same account looks different depending on your seat. Each role needs a small set of KPIs, a reference for what good looks like, and one question to ask when a number is off.

The Founder / CEO view

Is marketing making the business more valuable, or just bigger?

KPI	What it tells you	What good looks like
Net profit after marketing	Whether growth is real or bought	Positive, stable or improving
LTV : CAC ratio	Whether customers are worth what you pay	3:1 or better
Payback period	How long cash is locked in each customer	Under 6 months for most e-commerce
Blended MER	Overall efficiency, trend over time	Stable, or deliberately declining as you scale

WHEN A NUMBER IS OFF, ASK:

“Show me new-customer CAC against first-order contribution margin, separately from returning-customer revenue.”

The CMO / Head of Growth view

Which channels and buckets deserve the next dollar?

KPI	What it tells you	What good looks like
Blended CAC vs. new-customer CAC	How much blended reporting flatters you	A known, stable gap. Widening = acquisition degrading
MER by channel	Which channels earn their budget	Judged by trend, not absolute
New vs. returning revenue split	Whether growth is expansion or recycling	A deliberate choice, not a discovery
Marginal ROAS	What the last dollar returns, not the average	Above breakeven. Averages hide saturation
CAC trend over time	Whether acquisition is getting harder	Flat or explainable. Unexplained creep is the earliest alarm

WHEN A NUMBER IS OFF, ASK:

“Is this channel adding net-new demand, or capturing demand that would have converted anyway?” (see Section 04)

The E-commerce / Retention Manager view

Is the existing customer base generating real margin?

KPI	What it tells you	What good looks like
ROAS on returning customers (ideally MOAS)	Whether retention spend generates real margin	Benchmark against margin, not acquisition ROAS
Cohort LTV curves	How value accumulates after first purchase	Curves flattening later, not earlier
Entry vs. re-engaging category / product	What brings customers in vs. back	A clear, known answer
New vs. returning by category	Where the acquisition-to-loyalty handoff works	Healthy flow from first purchase to repeat

WHEN A NUMBER IS OFF, ASK:

“Would this revenue have happened without the campaign?” Retention ads are the most likely place in the account to take credit for organic behavior.

The Media Buyer view

Execution efficiency inside each channel.

- Campaign-level ROAS, CPA, CAC (new-customer view where the platform allows it)
- CPM, CPC, CTR, CR, AOV: the diagnostic chain for finding where performance breaks
- Creative and placement-level breakdown: what to kill, what to scale

THE DISCIPLINE THAT MATTERS MOST

Report results upward in the acquisition/retention split, not blended. The account-level trap in Section 01 is built one blended campaign report at a time.

Once the foundation is clean: finding scale.

Five concepts that decide where the next dollar of budget should go, each explained from zero.

1 Marginal CAC: what the NEXT customer costs

Your CAC is an average: \$50,000 spent, 1,000 customers, CAC \$50. But the first customers each month are the cheap ones, people almost ready to buy. As spend grows, each additional customer costs more than the last. **Marginal CAC is the cost of the next customer, not the average of all of them.**



At \$70k of monthly spend the dashboard shows a \$61 average CAC, acceptable. But the last \$20,000 bought customers at **\$133 each**, nearly double the \$70 first-order margin. Every additional dollar is losing money while the average still looks fine.

Monthly spend	Customers	Average CAC	Marginal CAC
\$30,000	750	\$40	-
\$50,000	1,000	\$50	\$80 (extra \$20k bought only 250 more)
\$70,000	1,150	\$61	\$133 (extra \$20k bought only 150 more)

WHAT TO DO

Before scaling a channel, compare this month vs. last month: difference in spend divided by difference in customers = marginal CAC. Above your margin? More budget makes things worse.

2 Incrementality: would this sale have happened anyway?

Your retargeting shows 12x ROAS. The platform claims those people bought because of the ad. But many already had the product in their cart and would have bought anyway. **The ad didn't create the sale, it took credit for it.** Incrementality asks: how much revenue would disappear if we turned this channel off?

Channel type	Reported ROAS	True incrementality	Why
Branded search	Very high	Usually low	They were looking for you; most would have found you anyway
Retargeting	Very high	Low to medium	Many were already going to buy
Prospecting (cold)	Low	High	Customers who would never have found you

The classic mistake: cutting prospecting because its ROAS looks worst, then watching revenue dry up two quarters later, because the only channel planting demand is gone.

WHAT TO DO: THE SIMPLE TEST

Turn the channel off in one market for 2-4 weeks, keep everything else running. Compare TOTAL revenue (not channel-reported revenue) against a similar market where nothing changed. If total revenue barely moves, the channel was taking credit, not creating value.

3 Payback period: how fast your money comes back

You spend \$60 to acquire a customer. Their first order returns \$40 of margin. If they order again in month 2, you might break even by month 3: a 3-month payback. Two channels can have identical CACs but completely different payback speeds. **For a brand funding growth from cash flow, payback speed IS the growth limit.**

	Channel A (Meta prospecting)	Channel B (TikTok)
CAC	\$60	\$60
Customer type	Buys routine sets, reorders	Buys single trend items
Payback period	2 months	9 months
Verdict	Scale aggressively: cash returns fast	Scale carefully: cash locked 9 months

WHAT TO DO

Calculate payback per channel: CAC divided by average monthly contribution margin per customer (see Concept 4). When allocating the next budget increase, weight payback speed as heavily as CAC.

4 Cohort views: what a customer is actually worth

A cohort is everyone who became a customer in the same month. Follow each group over time: how much did January's customers spend by month 3? Month 6? Month 12? This answers the question everything else depends on: **what is a new customer worth?** Without it, CAC is just a cost. With it, CAC becomes an investment decision you can defend in front of a CFO.

What to look for: whether newer cohorts are getting better or worse. January customers at \$120 by month 6, June customers tracking toward \$85? Acquisition quality is degrading even if CAC looks stable, an early warning nothing else shows you.



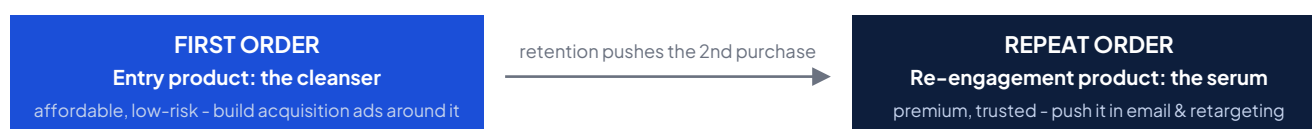
WHAT TO DO

Shopify analytics, Triple Whale and Lifetimely produce cohort tables out of the box. Look monthly and ask one question: is the value of a new customer going up or down?

5 Entry products vs. re-engagement products

Split sales by new vs. returning, then by product. Most brands discover first-time customers overwhelmingly buy one specific product (the **entry product**) while returning customers buy something different (the **re-engagement product**). A skincare brand might find 60% of first orders are the cleanser, affordable and low-risk, while returning customers buy the premium serum.

Why it changes your marketing: acquisition ads and landing pages should be built around the entry product, not the full catalog. Retention flows should push the re-engagement product, the proven second purchase.



WHAT TO DO

One hour of analysis. Rank products bought by first-time customers, then by returning customers. If the lists differ, and they almost always do, your ad account and email flows should reflect it.

Five rules to run on your own account this week.

1. Never judge the account on a blended number.

Split acquisition from retention first, always. Blended ROAS is the easiest KPI in marketing to make look good.

2. Judge each bucket by its own KPI.

Acquisition is judged on CAC vs. LTV and payback. Retention is judged on margin (MOAS, not just ROAS).

3. Each role owns a different layer.

The CEO owns profitability, the CMO owns allocation, the retention manager owns the base, the media buyer owns execution, all in the split view.

4. Scale decisions live in marginal numbers and incrementality tests.

Not averages, and not platform-attributed ROAS.

5. Start with one view.

Pull last month's numbers, split new vs. returning, and put new-customer CAC next to first-order contribution margin. That single view tells you whether your growth is real.

Want to know what's really behind your numbers?

We'll review your account in the acquisition/retention split, benchmark your CAC, payback and cohort economics, and return a prioritized list of what to fix first.

[Get in touch >](#)

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