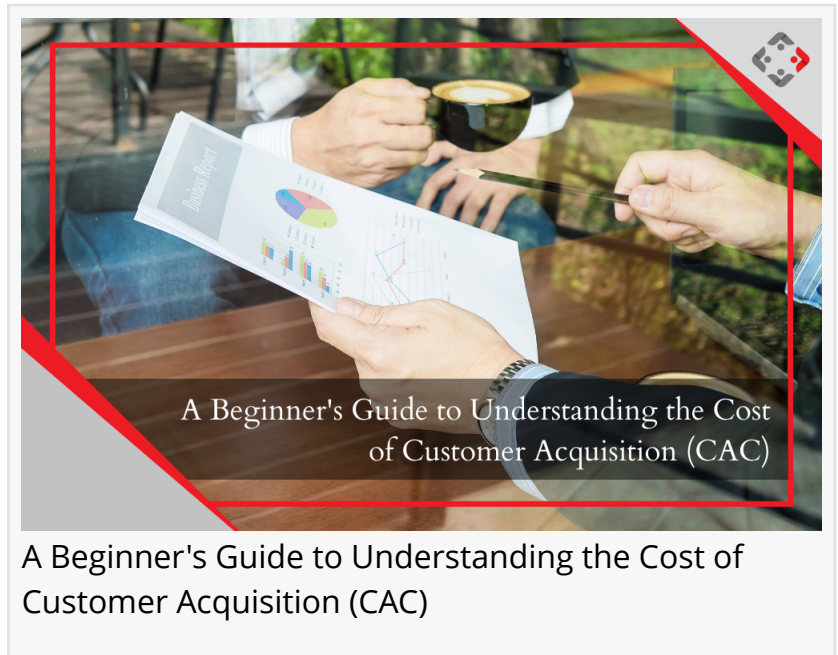


A Beginner's Guide to Understanding the Cost of Customer Acquisition (CAC) - YourRetailCoach Dubai

Customer acquisition is a metric that measures the average amount of money spent on customers.

PUNE, MAHARASHTRA, INDIA, May 6, 2024 /EINPresswire.com/ -- A business spends money to acquire an existing customer, and it provides insight into the effectiveness and efficiency of a company's marketing and sales efforts.

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To calculate CAC, you simply divide the total amount spent on marketing and sales activities by the number of newly acquired customers within a specified period. For example, if a business allocates \$10,000 to these activities in a month and successfully attracts 100 new customers, the CAC would be \$100 per customer.

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Empowering Retail & E-commerce businesses worldwide.”

Nikhil Agarwal

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It's imperative to note that different industries and [business models](#) have varying CAC benchmarks. For instance, in the software-as-a-service (SaaS) industry, which

commonly operates on subscription-based models, CAC can be higher due to longer customer lifetime value. According to a survey conducted by OpenView Partners, the average CAC for SAS companies in 2020 was approximately \$1,437. On the other hand, e-commerce companies often have lower CAC for instance a study by Shopify found the average CAC for their Merchants was around \$60.

Customer Acquisition Cost (CAC):

Understanding your CAC in relation to industry standards is a critical approach to growth. If your CAC exceeds these benchmarks, it may indicate that you need to refine your customer acquisition strategy or enhance the appeal of your products and services to potential customers. On the other hand, a lower CAC is generally a positive sign, it basically suggests that your business is efficiently attracting new customers and may have a competitive advantage in its Market CAC is one of the very critical matrices for [e-commerce businesses](#) to make informed decisions.

For e-commerce businesses, CAC is a fundamental metric that informs critical decisions about marketing strategies and resource allocation. By monitoring and optimizing your CAC, you can enhance the cost-effectiveness of your customer acquisition processes and ultimately improve your business's bottom line.

Customer Acquisition Cost (CAC) is a measuring pattern for any business that is operating in the digital age, especially in the aspect of e-commerce. Understanding how to calculate and interpret CAC is crucial for making informed marketing decisions and ensuring efficient resource allocation.

Are you still uncertain about which model to choose for your [eCommerce startup](#) or struggling to reach your goals if you already have one. Your Retail Coach is a progressive retail consultancy firm with 12+ years' of experience delivering exceptional and exclusive services to the retail industry.

For more insights on Retail and e-commerce, refer to YRC Vlogs:

<https://www.youtube.com/c/YOURRETAILCOACH>

A Beginner's Guide to Understanding the Cost of Customer Acquisition (CAC):

<https://www.youtube.com/watch?v=smV0gxrcUt8>

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