Essential Metrics New metrics unveil insight and opportunities otherwise hidden in averages.



Most retail reporting focuses on metrics that describe what's already happened (outcome metrics such as revenue) and others that offer some visibility into the health of the business. (influence metrics such as average transaction value.) To improve outcome metrics, retailers often resort to generalized action such as large sales and sweeping promotions which 1) no longer yield the returns seen in the past and 2) increasingly erode profit. But new metrics empower people to control the business and alert them when action is needed. See examples of each type of metric in the chart below.

OUTCOME METRICS REVENUE & PROFIT TYPICAL MANAGEMENT METRICS **CUSTOMERS** • DESCRIBE WHAT HAPPENED 0 SALES PER SQ. FT NOT DIRECTLY ACTIONABLE **COMP. STORE SALES** INFLUENCE METRICS MONITO **AVERAGE TRANSACTION VALUE** INDICATE AVERAGE OUTCOMES PRODUCT PROFIT PER SQ. FT & PER VIEW SUGGEST EFFICIENCY & TRENDS **NEW CUSTOMERS** NOT DIRECTLY ACTIONABLE **UNITS SOLD PER TRANSACTION CONTROL METRICS NEW** CONTR **DEMAND AVAILABILITY** • HIGHLIGHT WINNERS & LOSERS **SINGLE ITEM ORDER** • INDICATE COURSE CORRECTIONS FOCUS ON SPECIFICS **RETURN RATE** 1-2x MIGRATING CUSTOMERS **ALERT METRICS NEW INVENTORY NOT VIEWED or SOLD** POINT TO A DISTINCT PROBLEM PAID TRAFFIC TO OUT OF STOCK ITEMS PRESCRIBE THE NEEDED ACTION HIGH VALUE CHURNED CUSTOMERS ENABLE SURGICAL ACTION SHIPMENTS > 1 DAY POST ORDER



