

Calculate your customer lifetime value

How to calculate the customer lifetime value of your internet business:

- Use a simple cohort analysis
- Take e.g. 1000 users that signed up 24 months ago, sum up the total revenue generated by these users, and calculate the average revenue per signup
- Do the same for users that signed up 12 months and 6 months ago
- Based on these numbers, you can define your target acquisition cost per signup, which becomes the basis for all your marketing efforts

This is an important metric for your customer acquisition.