Top Metrics in SaaS

3 | Monetization

Monetization metrics are very important for any SaaS company, as they can show how capable your business is at maximizing the value of your audience. In other words, monetization metrics reveal the degree to which your organization is capable of generating revenue and profit. This infographic will help you check if you're tracking all the right monetization metrics.
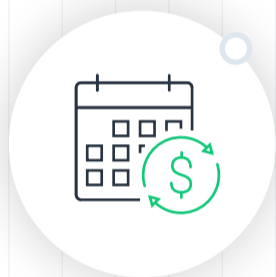
Monthly Recurring Revenue (MRR)

Number of current customers **X** ARPU (average monthly recurring revenue per user)

Net MRR

(Existing customers' MRR at the beginning of the month **+** New customers' (acquisition) MRR **+** Expansion MRR (existing customers expanding their subscriptions)) **−** (Churned **+** Downgraded MRR)

Annual Recurring Revenue (ARR)

(Overall subscription cost per year **+** Expansion revenue) **−** Churned revenue

Net MRR Growth Rate

$$\frac{(\text{Net MRR current month} - \text{Net MRR previous month})}{\text{Net MRR previous month}} \; X \; 100$$

Expansion MRR Rate

$$\frac{(\text{Total Expansion MRR at end of current month} - \text{Total Expansion MRR at the beginning of current month})}{\text{Total Expansion MRR at the beginning of the month}} \; X \; 100$$

Annual Contract Value (ACV)

The average value your customer contracts bring in each year

Average Revenue Per Account per month (ARPA)

$$\frac{\text{Total monthly recurring revenue}}{\text{Total customer accounts}}$$

Return on Customer Acquisition Costs

$$\frac{\text{CLTV}}{\text{CAC}}$$

Gross Margin Payback Period (GMPP) / Months to Recover CAC

$$\frac{\text{CAC}}{(\text{Average MRR per customer} \; X \; \text{Gross Margin \%})}$$

Want to learn more?
Download our eBook:
The Definitive Guide To SaaS Metrics – Episode 3: Monetization

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