

MASTERING CAC

(Customer Acquisition Cost)

Understand CAC, analyze results, and take
action to drive growth."



*Learn how to define, analyze, and optimize CAC to power
your business growth.*





What is **CAC** - Customer Acquisition Cost

Definition:

CAC = Total Cost of Acquiring New Customers (Marketing Spend + Sales costs) ÷ Number of New Customers Acquired

$$CAC = \frac{(MarketingSpend + SalesCosts)}{Number\ of\ New\ Customers}$$

Includes:

Marketing costs, sales salaries, advertising spend, software tools and more.





Why is **CAC** Important?

- **Helps CEOs measure business efficiency.**
- **Guides CFOs on financial planning and budgeting.**
- **Empowers CMOs to fine-tune marketing strategies.**
- **Supports Sales Directors in optimizing sales funnels.**
- **Informs Managers on campaign-level ROI.**





How to Calculate **CAC**? (Quick Example)

Formula:

$CAC = (\text{Marketing Spend} + \text{Sales Costs}) \div \text{New Customers}$

Example:

- If you spend \$50,000 on marketing and sales, and acquire 500 customers:
- **$CAC = \$50,000 \div 500 = \100 per customer**





How to Analyze **CAC** Results?

Healthy CAC

Low CAC compared to Customer Lifetime Value (CLTV).

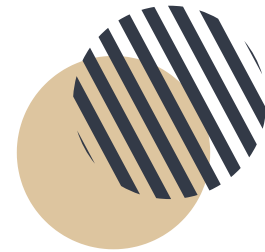
Unhealthy CAC

High CAC, signaling inefficiencies in acquisition channels or strategy.

Key Benchmarks:

- Industry-specific standards (e.g., SaaS CAC < \$200/month; eCom CAC: \$45–\$150 per customer; FinTech CAC:\$500–\$3,000 per customer).
- Compare CAC trends quarterly to identify spikes or dips.





Course Correction for High **CAC**

When to Act:

- CAC exceeds CLTV or eats into profit margins.
- Acquisition costs grow disproportionately to revenue.

Strategies to Reduce CAC:

- Improve lead targeting with better audience segmentation.
- Focus on organic channels (SEO, content marketing).
- Optimize paid campaigns (A/B testing, better creatives).
- Streamline the sales process (automation, shorter cycles).





What Does **CAC** Mean for Each Leader?

- **CEO:** Growth efficiency and scalability.
- **CFO:** Budget alignment and profitability.
- **CMO:** Marketing channel ROI and effectiveness.
- **Sales Manager:** Sales conversion efficiency.
- **Marketing Manager:** Campaign performance and optimization.





Pro Tips for **CAC** Optimization

- Invest in **retention strategies**—keeping a customer is cheaper than acquiring a new one.
- Embrace **automation** to reduce operational costs.
- Monitor CAC-to-CLTV ratio (aim for at least 3:1).
- Test, analyze, and iterate consistently.





Ready to optimize your **CAC** and supercharge your growth? Let's connect and discuss strategies!

How Vyugh Marketing Can Help:

- **Audit:** We perform a comprehensive review of your current acquisition strategies to identify inefficiencies and opportunities.
- **Plan:** Develop a tailored roadmap with data-driven strategies to optimize your CAC-to-CLTV ratio.
- **Execute:** Implement actionable plans across all marketing and sales channels to reduce cost and drive sustainable growth.

- Partner with us to transform your customer acquisition game
- - connect@vyughmarketing.com
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