

# ADSMATH / THE E-COMMERCE METRICS WALL CHART

A quick reference for the numbers between ad spend and what an order actually leaves.

## 01 TRAFFIC

### CPM

$$\text{Spend} \div \text{impressions} \times 1,000$$

Price paid for 1,000 ad impressions.  
Useful context, not a CPA target.

### CTR

$$\text{Clicks} \div \text{impressions} \times 100$$

Share of impressions that click.  
Higher CTR may reduce CPC.

### CPC

$$\text{Spend} \div \text{paid clicks}$$

What each paid click costs.  
CPA depends on this and conversion.

## 02 CONVERSION

### CVR

$$\text{Orders} \div \text{paid clicks} \times 100$$

Click-to-order rate for the same  
traffic and period as CPC.

### Modeled CPA

$$\text{CPC} \div \text{CVR}$$

Ad cost per modeled order.  
A 2% CVR means divide by 0.02.

## 03 THE ORDER

### AOV

$$\text{Revenue} \div \text{orders}$$

Average order after discounts,  
before sales tax.

### Variable costs

#### Per-order costs

Product, shipping, fulfillment,  
fees, expected returns and more.

### Contribution before ads

$$\text{AOV} - \text{variable costs}$$

The amount available to acquire  
the order and cover overhead.

### Contribution margin

$$\text{Contribution} \div \text{AOV} \times 100$$

The share of the order available  
before advertising.

## 04 THE LIMIT

### Target CPA

$$\text{Contribution} - \text{desired left}$$

Your goal-preserving acquisition cap.

**Break-even CPA = contribution**  
before ads. It leaves exactly zero.

## 05 THE READOUT

### Amount left after ads

$$\text{Contribution} - \text{CPA}$$

Before fixed costs and tax.  
This is not net profit.

### ROAS

$$\text{Attributed revenue} \div \text{spend}$$

Useful revenue efficiency; it  
cannot see order-level costs.

### Break-even ROAS

$$1 \div \text{contribution margin}$$

If margin is 40%, this is 2.5x.  
Use a decimal margin: 0.40.

### Compare like with like:

same period and customer basis.

## 06 FOUR LEVERS

### Traffic cost

Pay less for comparable clicks.

### Conversion rate

Help more paid visitors buy.

### Average order value

Raise basket size without eroding margin.

### Contribution margin

Keep more from each order.

## THE €300 ORDER: WHEN A "GOOD" CPA STILL MISSES

$$\text{€300 AOV} - \text{€180 variable costs} = \text{€120 before ads}$$

€100 CPA leaves €20 after ads. If the business needs €40 left, target CPA is €80.

The €20 gap is real. This page does not tell you which lever is feasible to move.

Changing one number can move another: a discount may lift CVR while cutting margin.

## FOLLOW THE MONEY

Ad spend → clicks → orders → AOV → contribution → amount left after ads

## YOU HAVE THE DEFINITIONS. NOW RUN YOUR OWN NUMBERS.

Adsmath models how CPC, CVR, AOV and margin work together before you raise the budget.