

# 11 Customer Engagement Metrics You Should Be Tracking



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Picking the right customer engagement metrics to track can be a tricky business. There are lots of them, and some seem eerily similar. Bounce rate versus abandonment. Churn or opt-out? Weekly active or weekly engaged? Some numbers might not even belong to the category of customer engagement metrics.

You need to select the most relevant metrics for your business goals, so we're sharing 11, along with context about how to use them. To help with your selection, we'll look at:

- What are customer engagement metrics?
- Which customer engagement metrics matter?
- How to decide which customer engagement metrics to track?
- How to stay on track with our customer engagement metrics map



# What are customer engagement metrics?

Customer engagement metrics measure interactions between companies and their clients. Such numbers often say something about the frequency of interchanges, their quality, or both.

You can uncover opportunities for (up)selling and ideas for new product features by measuring customer engagement. But these metrics can also act as warning signs. People who opt out of your weekly [email newsletters](#), for example, might be about to abandon your business completely without your intervention.

Engaged customers take many forms, such as when people:

- Use and buy products or services from your company.
- Consume and interact with the content you share in emails, on your website, and on social media channels.
- Attend your events, whether in-person or webinars.
- Send you feedback, write reviews, or leave comments (even when they're negative).
- Tell others about your company or products.

Customer engagement is closely related to—and often mixed up with—customer satisfaction, customer experience, and customer loyalty. Strictly speaking, those factors influence engagement, but they're not the same.

# Which customer engagement metrics matter?

There are almost as many customer engagement metrics as there are customers. That's a slight exaggeration, but not by much. We've selected the 11 most helpful ones for you below by focusing on numbers that reflect an essential business outcome or customer action.

## 1. Bounce rate

### Calculation

You determine the percentage of single-page sessions in which people leave a site after only looking at one page. Bounce rate can be measured for specific pages or for the site as a whole.

Say you have ten single-page sessions during a period and 20 total sessions, then your bounce rate is 50%.  
( $10/20=0.5*100$ )

### What does the bounce rate tell you?

Your site's bounce rate essentially tells you whether your site matches people's expectations and they find it interesting enough to click through and hang around.

A high bounce rate is usually undesirable, but it depends on the intent of a specific page. If, for example, the goal of a landing page is to immediately send a user to an app store to download your app, a high bounce rate is ok.

### Who is it relevant for?

All industries

The most telling example of our selection criteria is the exclusion of social media engagement metrics from this list. While likes, shares, and comments can be helpful, they're only so when they influence some of the 11 metrics we've listed in this guide. Often they don't, in which case such engagement doesn't lead to any real progress for your business.

## 2. Abandonment rate

### Calculation

You divide the total number of transactions by the total number of people who have put items in their shopping carts. Multiply that number by 100 and subtract it from 1. The outcome is the percentage of shoppers who have abandoned their cart.

### Cart Abandonment Rate

$$1 - \frac{\text{Transactions completed}}{\text{Shopping carts initiated}} \times 100$$

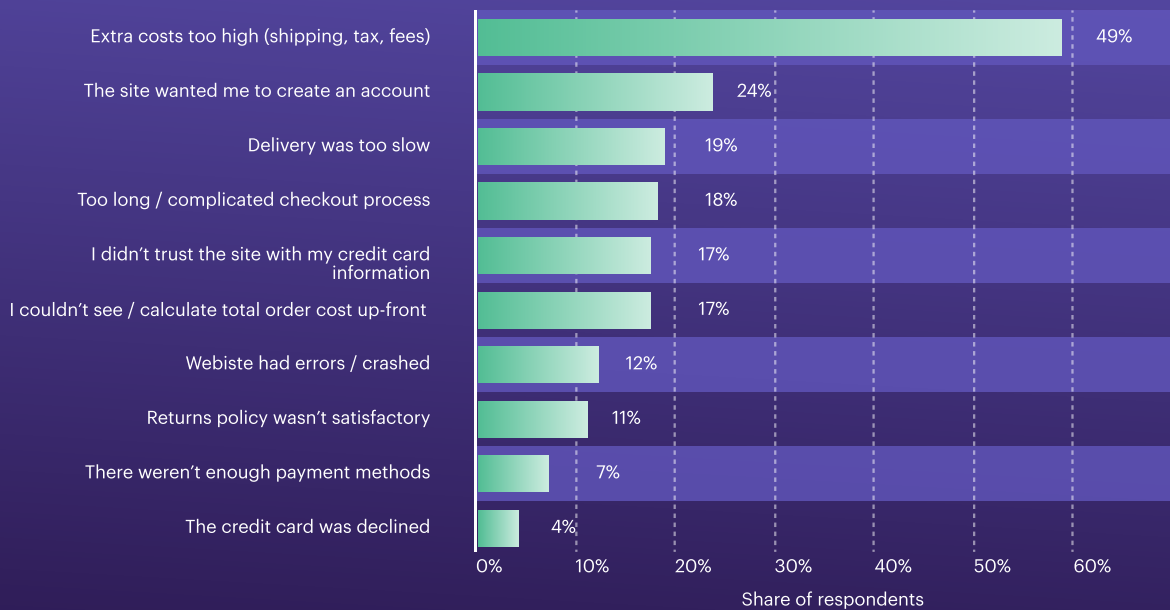
$$\begin{aligned} \frac{100}{300} &= 0.33 \\ 1 - 0.33 &= 0.66 \\ 0.66 \times 100 &= 66\% \end{aligned}$$

Source: <https://www.bolt.com/resources/cart-abandonment/cart-abandonment-rate/>

### What does the abandonment rate tell you?

Customers abandon 79.8% of their virtual carts. They do so for a variety of reasons—see the chart on the next page. Common ones are unexpected shipping costs, taxes, or creating an account.

## Main reasons why consumers in the United States abandoned their orders during the checkout process in 2021



### Additional information

United States; Baymard Institute; 2021; 4,329 respondents; 18 years and older

Source: [Baymard Institute © Statista 2021](#)

You can increase sales and create return customers by reducing your abandonment rate. Do so by identifying users who abandon their carts by [installing Segment on your website](#). With that information, you can send them an SMS or email with Twilio, reminding them of their uncompleted transaction and enticing them to return. These messages can offer your customers a personalized code for free shipping/an additional discount or create a sense of urgency, like informing them that their item is at risk of selling out. [The best abandoned cart emails](#) are short, valuable, and personalized to incentivize your customers to checkout.

### Who is it relevant for?

eCommerce, SaaS (sometimes)

## 3. Conversion

### Calculation

Take the number of users who completed a specific action by the total number of people you exposed to that option. If ten people clicked a download button on a landing page with 100 visitors, then your conversion rate is 10%.

### What does conversion tell you?

Conversion measures the percentage of people who take an action you've presented to them. Usually, conversion points are like landmarks along the customer journey and sometimes its final destination. Examples include:

- Clicks on an ad.
- People subscribing to an email newsletter.
- Downloads of apps, eBooks, or other assets.
- Free trial starts or account creation.
- Purchase events.

### Who is it relevant for?

All industries

## 4. Week 1 engagement

### Calculation

You customize this metric based on your business goals and product or service. Usually, you'd track week one engagement by measuring people's usage frequency during their first week (how many times someone logs in), their duration of use in the first week, or a combination of both.

### What does week 1 engagement tell you?

First-week engagement measures the rate at which a user interacts with—or abandons—your service or product in the first week of using it. It's critical to understand user engagement in their first week because it tells you:

- Whether the user experience is intuitive. If customers can't figure out how your product works, first-week engagement is likely low.
- Whether your product solves a problem and brings value to your users. If it doesn't, they won't use it much, if at all.

When you catch and fix early engagement issues your users might experience with your product, you set them up for long-term engagement. You can also use onboarding or [welcome emails](#) to help educate your users on your products and services and encourage them to get to know your business better. These brief, but informative messages can also help earn your new users' trust and set the tone for future email communications. Simply use [Twilio SendGrid's email automation tool](#) to enroll your new users into onboarding workflows and ensure they get the warm welcome they deserve.

### Who is it relevant for?

SaaS, Mobile, Fintech



## 5. Active users (DAU, WAU, MAU)

### Calculation

To make this a useful metric, you first need to define an important user action in your product you consider active usage. Often, this is someone logging in, but you can also designate a page visit or use of a specific feature as the trigger. Then, you measure how many unique users perform that action in the period you're measuring:

**Daily Active Users (DAU):** unique users of your product or service on a particular day.

**Weekly Active Users (WAU):** unique users of your product or service during seven days.

**Monthly Active Users (MAU):** unique users of your product or service during one month or 30 days.

Which of these three metrics to focus on depends on the type of service you offer. Social networks, for example, typically track DAU, as they expect and want people to use their services daily. Apps for fitness programs or food delivery are better off tracking WAU or MAU, as their services don't warrant daily use.

### What do active users tell you?

Active users are often the go-to metric for counting a product's user base. The number reflects people who actively engage with your product—as opposed to the number of user accounts, which might include people who registered once and never returned.

Still, it's critical to look closely at active users to understand what's going on, often by breaking the number down between new versus returning active users.

Say you add ten new users per day but lose them immediately. You'd then have a steady ten daily active users but an unhealthy product and business model. If you'd split that number further, you'd immediately see you have ten new daily users but zero returning ones.

### Who is it relevant for?

All industries

## 6. User retention

### Calculation

Take the total number of customers you have at the end of a period (such as a week or month) and subtract the new ones you added during that period. Then divide the outcome by the number of customers you had at the start of the period you're measuring.

Say you want to measure day seven retention, and you have:

- Twenty customers on day seven.
- Fifteen customers on day one.
- Added ten new customers between days one and seven.

In this case, your day seven user retention is 66.7%.  $(20-10=10/15)$

### What does user retention tell you?

Retention metrics tell you how many customers are returning to your product. It's a critical metric, as it highlights whether new customers you acquire—often at significant cost and effort—stick around or abandon you.

Note that [64% of the customers](#) now expect tailored engagements based on past interactions. To retain people long-term, you need to use data from previous visits to improve the next ones.

### Who is it relevant for?

SaaS

**Note:** there are more nuanced ways to look at and review user retention. [Check out our guide for an in-depth look at measuring retention.](#)

## 7. Feature usage

### Calculation

There is no pre-defined approach to measuring feature usage. Often you do this by looking at the percentage of people in your total user base who interact with a specific feature in a given period.

Say you have a feature to take photos in your app, ten total users, and one person takes a picture. That feature's usage would be 10%.

Sometimes you might want to measure how many times, on average, a customer makes use of a specific feature during a period. In that case, you measure feature usage as an absolute number. For example, the average user uses your app camera function five times a week.

### What does feature usage tell you?

Feature usage can tell you which parts of your app or service deserve further development and which to consider removing. They can also signal when users are trending toward churning (see metric 11) if, for example, their key feature usage per day or week goes down.

If you notice a user hasn't engaged with your brand in a while, you can always leverage [re-engagement campaigns](#) to try to win back their business. These email or SMS campaigns usually consist of a few [personalized messages](#) that can flaunt your newest products and services, offer users an enticing discount, or serve up recommendations based on their past purchases or use of your product. If that fails to bring them back, ask them if they'd like to be removed from your subscriber list and have them explain why in more depth on your [email preference center](#).

### Who is it relevant for?

All industries

## 8. Net Promoter Score (NPS)

### Calculation

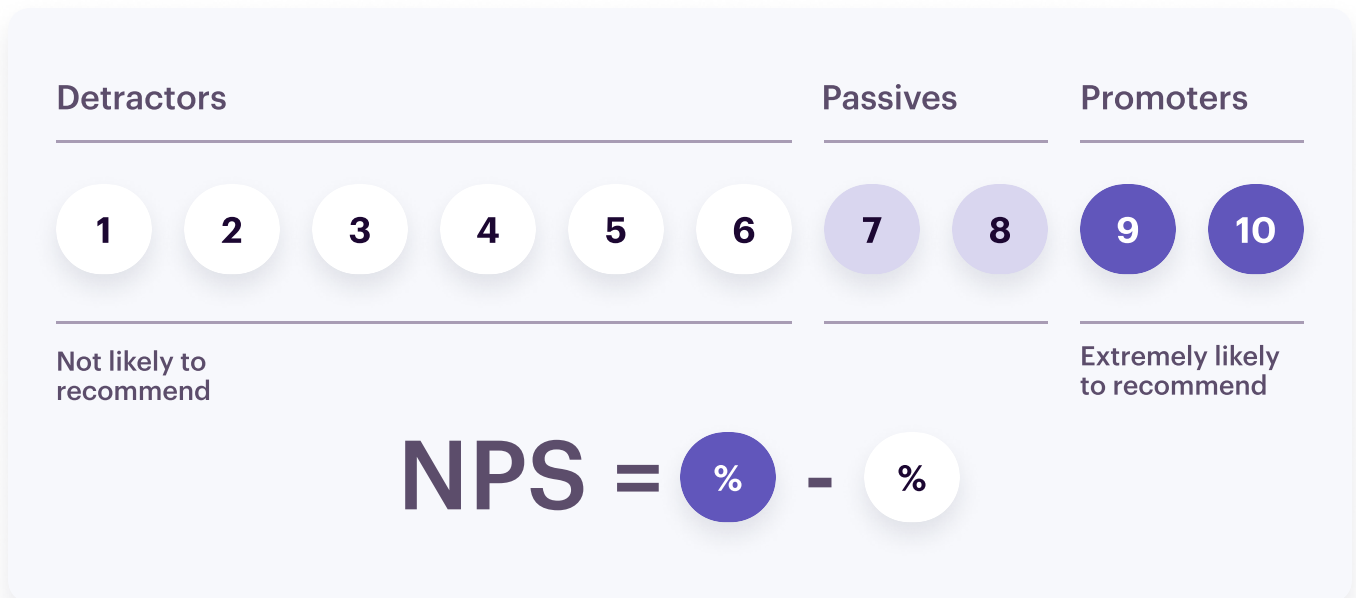
Ask people how likely they are to recommend your product or service to a friend or colleague on a scale from 0 to 10. From those answers, you create three groups:

**Promoters:** everyone who answered 9 or 10.

**Passives:** people who picked 7 or 8.

**Detractors:** all respondents with scores from 0 to 6.

Calculate the percentage each group represents of the total number of respondents. Drop the passives, then subtract the detractors from the promoters, and you have your NPS score.



Source: [Source: Net Promoter Score, Dialpad.](#)

Say you have 11 respondents, and each gave you a score going up from 0 to 10. You'd then have seven detractors (64%), two passives (18%), and two promoters (18%).  $18\% - 64\% =$  a negative NPS of -46%.

### **What does NPS tell you?**

Since people only recommend products and services they truly trust and enjoy, NPS reflects loyalty and the potential for word of mouth. Both are critical drivers for customer engagement and signals of a great product that serves a real customer need.

### **Who is it relevant for?**

All industries

## **9. Feedback response rate**

### **Calculation**

Check how many people have responded to a feedback request from you—such as a survey. Divide that number by all customers you sent the request to. Multiply the outcome by 100, and you have a feedback response rate, expressed as a percentage.

### **What does the feedback response rate tell you?**

When people make an effort to give you feedback, it generally means they care about your product and brand or see the potential for its improvement in the future. In other words, a response is better than no response, and this is what a feedback response rate reflects.

### **Who is it relevant for?**

All industries

## 10. Opt-out metrics

### Calculation

This is the number of customers who no longer want your services, product, or communications. Optionally, you can express this metric as a percentage of total users.

### What do opt-out metrics tell you?

When customers opt-out of your product, service, or communications, they're literally disengaging—a vital negative customer engagement metric to monitor.

Opt-out metrics tell you that what you've provided is not relevant, is worthless, or is otherwise problematic and therefore warrants investigation.

Common opt-out metrics to track:

- Email unsubscribers
- Mobile push notification opt-outs
- App uninstalls

In regards to email, senders should aim for an unsubscribe rate of [less than a 1%](#). Higher opt-out rates could mean it's time to audit your sending frequency, email design, and content to ensure every message you send provides value to your subscribers. Spammy, generic, and unappealing content are some of the most common reasons why recipients unsubscribe.

### Who is it relevant for?

All industries

## 11. Churn rate

### Calculation

Calculate your churn rate by taking the number of product users at the start of a period and subtracting the ones remaining at the end. Divide that amount by the number of users you had at the beginning, then multiply your answer by 100.

Say you had:

- Ten users at the start of your measurement period and six at the end.
- You then take ten minus six, which is four.
- Divide four by ten, giving you 0.4.
- Multiple 0.4 x 100, and you have a churn rate of 40%.

### What does customer churn tell you?

The churn rate reflects how many people abandon your service or product during a given time. Essentially, it's when someone breaks down engagement with your business, often for good.

Sometimes an opt-out metric determines your churn rate, like when someone uninstalls your app. On the other hand, an email unsubscribe event usually doesn't indicate churn, as that person could continue using your product. Still, it can be a strong predictor of potential churn.

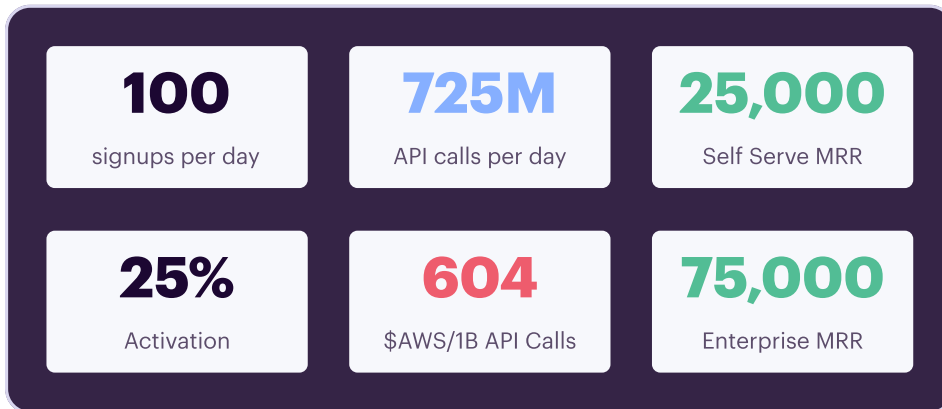
Churn and retention rates are essentially two sides of the same event. Users who don't return to your product have churned, and those who didn't churn are retained. Which of these two metrics to use largely depends on whether you want to focus your marketing or product development efforts on the people you're losing or on those you're keeping.

### Who is it relevant for?

All industries

# How to measure customer engagement

In their book [Hacking Growth](#), Sean Ellis and [Morgan Brown](#) write that Mark Zuckerberg, in the early days of Facebook, let his team focus on just one number: user growth. So pick—at most—a handful of customer engagement metrics most relevant and actionable for your current business objectives.



Create a dashboard —on a wall or virtual —with a handful of [metrics that matter](#) to your current business goals.

## Pick metrics that align with your current goals

You can't and shouldn't track all the customer engagement metrics we just reviewed simultaneously. The fewer metrics a team focuses on, the more likely you'll see results in that area.

Look at your overall strategy and business goals to determine which customer engagement metrics tell you if you're making progress toward such goals.

Say growing your userbase is currently more important than generating revenue. In that case, the engagement metrics you focus on need to relate to this objective, so you could focus on conversions from ads to app installs, active users, and your churn rate.



## Compare with industry benchmarks

You might have to benchmark your data against information from other companies to understand what your customer engagement metrics are telling you. Say your customers retain at a rate of 20% on the first day of using your app. Is that good or bad? The answer depends on the previous performance of your product and also the numbers others in your industry hit.

Some tools, like [Braze](#), a customer engagement platform, offer benchmarks by aggregating anonymized information from their customers. You can also find or buy market research reports and tools that provide benchmark data. [App Annie](#) is a famous example within the mobile app industry. They provide benchmarks on app sales, customer retention, and many other metrics.

Don't forget to check the sources, research methods, and sample size for any benchmark data you use. Reports formed from flimsy data flood the internet and are fine for catching clicks but shouldn't go anywhere near your [Key Performance Indicators \(KPIs\)](#) and other company objectives.

## Find nuances through qualitative data and segmentation

Quantitative data—like the 11 customer engagement metrics we picked—tells you what's happening but not why. [Qualitative data](#) from user interviews, focus groups, and customer support interactions capture people's emotions and motivations. Such information gives you a better understanding of why customer engagement is happening (or not).

Collecting qualitative information usually costs more in both effort and money than getting quantitative data. Still, it can be worth the extra expense. As Segment CEO Peter Reinhardt wrote [on his blog](#):

**"20 hours of great interviews probably would've saved us an accrued 18 months of building useless stuff."**

You can also add more nuance to your customer engagement metrics by segmenting your user base by personas. This practice ensures you don't miss trends or signals hidden within the average number of your entire customer base. You might miss some big spenders and their unique behavior, for example, when you only look at the average feature usage of your entire customer base.

[Segment's Personas](#) feature makes it easy to create such segments across your entire stack of tools. You build customer groupings based on specific attributes once in Segment. Then you can use those personas in every app or service you connect.

# Stay on track with our customer engagement metrics map

Reading this article and theoretically understanding customer engagement metrics is one thing. Remembering how to calculate NPS or stickiness and explaining it to a team member is quite another.

We've created a customer engagement metrics map on the following pages as a visual reminder for the year ahead. It makes remembering and navigating all the different customer engagement metrics more manageable.

# The 11 most helpful customer engagement metrics

Customer engagement metrics measure interactions between companies and clients. These numbers reflect the frequency of interchanges, their quality, or both.

We've listed the 11 most helpful metrics for you below.

## 1. Bounce Rate

**The gist:** The website equivalent of "sorry, wrong number."  
**Sectors:** All industries

### Calculation

$$\text{Bounce rate} = \frac{\text{Total number of single-page sessions}}{\text{Total number of visitors}}$$

## 2. Abandonment Rate

**The gist:** Shoppers with second thoughts who don't buy  
**Sectors:** All industries

### Calculation

$$1 = \frac{\text{Transactions completed}}{\text{Shopping carts initiated}} \times 100$$

## 3. Conversion

**The gist:** Customers taking an action you want them to take.  
**Sectors:** All industries

### Calculation

$$\text{Conversion rate} = \frac{\text{Total \# of conversions (ad clicks, downloads, sign-ups)}}{\text{Total \# of visitors or sessions}} \times 100$$

Example:

200 conversions/1,000 sessions (\*100) = 20% Conversion Rate

## 4. Week 1 Engagement

**The gist:** The frequency of product or service usage in a customers' first week.

**Sectors:** All industries

### Calculation

$$\text{Week 1 engagement} = \text{Feature usage OR action frequency OR time in app/service in first week compared to average, target, or benchmark}$$

## 5. Active Users (DAU, WAU, MAU)

**The gist:** The number of people using your product or service in a given period.

**Sectors:** All industries

### Calculation

$$\text{Active users} = \text{Unique user logins per day/week/month}$$

## 6. User Retention

**The gist:** Customers who like your product or service enough to return.

**Sectors:** SaaS

### Calculation

$$\text{User retention} = \frac{(\text{Users at period end} - \text{new users during period})}{\text{Users at period start}} \times 100$$

## 7. Feature Usage

**The gist:** Who uses which features how often.

**Sectors:** All industries

### Calculation

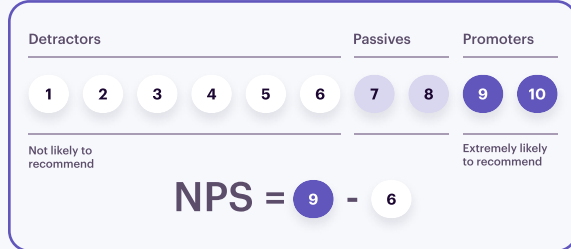
$$\text{Feature usage} = \frac{\text{Users interacting with feature}}{\text{Total user number}} \times 100$$

## 8. Net Promoter Score (NPS)

**The gist:** The word-of-mouthiness of your product or service.

**Sectors:** All industries

### Calculation



## 9. Feedback Response Rate

**The gist:** Customer willingness to give you feedback.

**Sectors:** All industries

### Calculation

$$\text{Feedback response rate} = \frac{\text{Feedback respondents}}{\text{Feedback requests}} \times 100$$

## 10. Opt-Out Metrics

**The gist:** Customers who need some time for themselves.

**Sectors:** All industries

### Calculation

$$\frac{\text{Opt-out requests}}{\text{Subscribers, members, or receivers}} \times 100$$

## 11. Churn Rate

**The gist:** People abandoning your product or service

**Sectors:** All industries

### Calculation

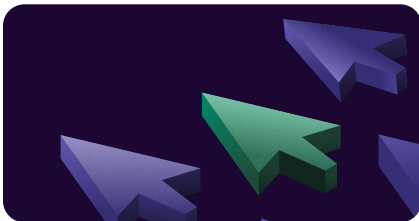
$$\text{Churn rate} = \frac{(\text{Users at period start} - \text{users at period end})}{\text{Users at period start}} \times 100$$

# Want to learn more about customer engagement?

Now that you've learned the essential customer engagement metrics, take your education to the next level with some of the below resources.

**Learn how to supercharge your growth with Twilio Segment**  
[Schedule a demo](#)

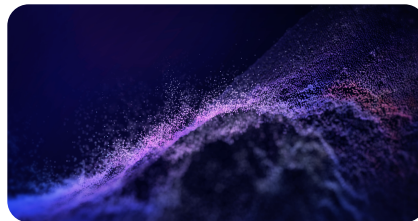
## Want to learn more?



### 5 Ways to Improve Customer Engagement with a CDP

Learn how to leverage a CDP to boost engagement rates across channels like SMS, live chat, customer support, and more.

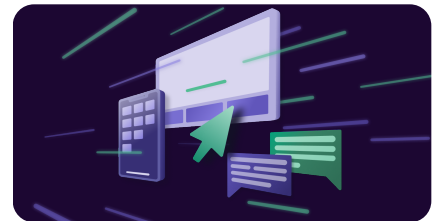
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### The Growth Report

This report features key insights from growth leaders at Lyft, Zendesk and more on team structures, measurement, growth tools and best practices

[Download report >](#)



### The Next Generation of Customer Engagement: 5 Trends to Watch

Learn the five noteworthy trends that will determine how customer relationships will continue to evolve in the years to come.

[Download guide >](#)