

Key Performance Indicators

Sales Data

Sales per Square Foot

$$\frac{\text{Revenue}}{\text{Selling Area}}$$

Year Over Year Sales

$$\frac{\text{Current Year's Sales} - \text{Last Year's Sales}}{\text{Last Year's Sales}} \times 100$$

Average Transaction Value

$$\frac{\text{Revenue}}{\text{\# of Transactions}}$$

Cost of Goods Sold

Starting Inventory minus Ending Inventory

Online vs In-Store Sales

Compare Sales From Both Sources

Shrinkage

Ending Inventory Value
minus Actual Inventory Value

Sell Through

$$\frac{\text{\# of Units Sold}}{\text{Starting Inventory}} \times 100$$

Gross Margin Return On Investment (GMROI)

$$\frac{\text{Gross Profit}}{\text{Average Cost}}$$

Key Performance Indicators

How is your business performing? KPIs are used to assess the performance of a retail business. These are used to help make informed business decisions and to identify areas of weakness. These indicators can be used to evaluate sales data, evaluating customer habits, merchandising, or financial data.

Customer Habits

Customer Retention Rates

$$\frac{\# \text{ of Existing Customers at Period End minus } \# \text{ of New Customers at Period End}}{\# \text{ of New Customers at Period End}} \times 100$$

Units Per Transaction

$$\frac{\# \text{ of Units Sold}}{\# \text{ of Transactions}}$$

Merchandising Data

Inventory Turnover

$$\frac{\text{Cost of Goods Sold}}{\text{Average Inventory at Cost}}$$

Conversion Rate

$$\frac{\# \text{ of Sales}}{\# \text{ of Visitors}}$$

Financial Data

Current Ratio

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Net Profit Margin

$$\frac{\text{Net Income}}{\text{Net Sales}} \times 100$$
