

# Industry KPIs: How brands should adjust to rising CPAs and low conversion rates

Article

**The news:** Digital advertising sectors with the [highest conversion rates](#) tend to have higher costs per acquisition (CPA), per our **Industry KPI data via [SellerApp](#)**, highlighting a challenge

for cost-conscious marketers looking to reach consumers online.

- Electronics led among tracked sectors in Q1 2024, with a US ad conversion rate of 6.2%. However, CPAs were also on the higher end of the spectrum at \$76.
- Other sectors with high conversion rates and CPAs were **clothing, shoes, and jewelry** (conversion rate of 5.5%; CPA of \$66) and **grocery and gourmet food** (4.94%; \$53).
- Some sectors had much higher CPAs with low conversion rates. **Home and kitchen** had CPAs of \$77 but a conversion rate of just 1.3%. **Automotive** had the highest CPAs at \$78 but held a 1.4% conversion rate.

**The balancing act:** For brands in sectors with high conversion rates, pricey CPAs highlight the complicated costs of doing business online. But for others in industries with large gaps between the two measures, more efficient opportunities may lie in other optimization strategies.

- Brands in the electronics and gourmet foods sectors face a difficult challenge: The cost of advertising online is steep, but so is competition. Those that opt not to advertise to save money could cede ground to rivals.
- Still, higher conversion rates make it easier to justify spending and calculate return on investment. For sectors that struggle more to convert online, like automotive and home and kitchen, it's a trickier proposition.
- But brands in **sectors with low conversion rates still have opportunities for improvement**. Simplifying the checkout process and offering flexible payment options could reduce friction and lead to better conversion rates. A/B audience testing and SEO optimization could also help lift conversions.

## Industry KPIs: US Cost per Acquisition (CPA), by Industry, Q1 2024

Automotive	\$78
Home & kitchen	\$77
Electronics	\$76
Appliances	\$74
Tools & home improvement	\$71
Sports & outdoors	\$67
Clothing, shoes, & jewelry	\$66
Beauty & personal care	\$61
Toys & games	\$59
Health & personal care	\$58
Grocery & gourmet food	\$53
Pet supplies	\$50

*Note: the average cost incurred for each acquisition or conversion from ecommerce activities*  
Source: SellerApp, March 2024

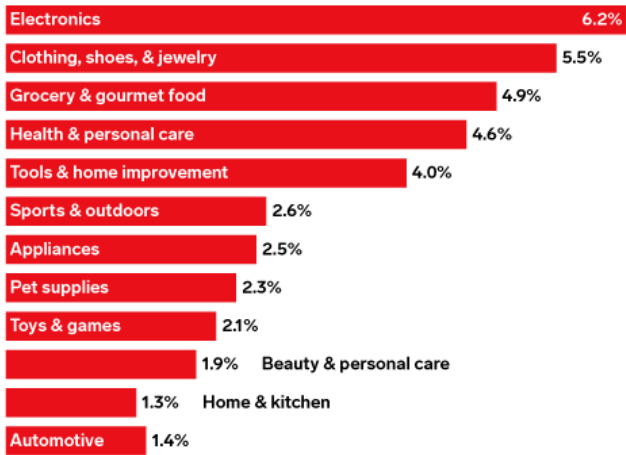
285489



**The broad CPA trend:** Ad costs have risen sharply in recent years even as conversion rates declined, creating a complex decision-making process for advertisers that is giving air to new marketing strategies.

- A May LocalIQ survey found that search ad costs increased 25% year over year to an average of \$66.69 in 19 of 23 tracked industries. Conversion rates increased for just 12 of 23 industries and averaged 6.96%.
- Brands in sectors with high CPAs and low conversion rates have invested in [loyalty programs](#) to drive repeat sales and keep consumers engaged; a 2023 Bond and Visa report found that US consumers had an [average of nine “active” loyalty program memberships](#).
- The success of loyalty programs highlights that brands can improve low conversion rates by experimenting with new strategies. While trying various approaches involves some risk, it's essential for achieving critical gains.

## Industry KPIs: US Ad Conversion Rate, by Industry, Q1 2024



Note: the percentage of visitors who complete a desired action (e.g., making a purchase) out of all site visitors  
Source: SellerApp, March 2024

285488



**Go deeper:** Interested in seeing more ecommerce advertising benchmarks? Industry KPI subscribers can get right to measuring performance against over 400+ industry benchmarks; [see more here](#).