

Calculating the Cost of Customer Acquisition

Use this worksheet to calculate your total customer acquisition costs. Each section helps you understand where your resources are going, and at the end, you can calculate the cost per acquisition by dividing your total costs by the number of customers acquired.

Customer acquisition costs can be calculated easily by adding up all of your marketing and sales costs and dividing them by the number of new customers for the period of time you are measuring. This is what your overall formula looks like:

$$\text{CAC} = (\text{Marketing Costs} + \text{Sales Costs}) / \# \text{ of New Customers Acquired}$$

Marketing Costs		Total Cost
Employee Expenses		
	Salaries	
	Bonus Compensation	
	Other Related Expenses	
Advertising Costs		
Other Marketing Expenses		

Sales Costs		Total Cost
Employee Expenses		
	Salaries	
	Bonus Compensation	
	Other Related Expenses	
Other Sales Expenses		

Total Marketing and Sales Expenses

Now, find how many customer acquisitions you have in a given period. If you have calculated your expenses by the month or by the year, keep this metric consistent with your previous calculations.

Number of Customer Acquisitions

After finding all of your variables, plug in your values to the formula:

$$\text{CAC} = (\text{Marketing Costs} + \text{Sales Costs}) / \# \text{ of New Customers Acquired}$$

Now, you are ready to calculate your CAC.

What Your Calculation Means

Comparing your customer's lifetime value (LTV) to acquisition costs can give you a better understanding of your CAC. You should aim for an average LTV of three times that of your acquisition costs in order to maintain continuity and growth.

How do you know if you are spending too much? Here are some average CAC by industry for 2023:

Industry	Organic CAC	Inorganic CAC	Combined AVG CAC
Automotive	\$491	\$893	\$592
Business Consulting	\$410	\$901	\$533
Commercial Insurance	\$590	\$600	\$593
Construction	\$212	\$486	\$281
Cybersecurity	\$345	\$512	\$387
Engineering	\$459	\$672	\$512
Entertainment	\$190	\$468	\$260
Financial Services	\$644	\$1,202	\$784
Higher Education & College	\$862	\$1,985	\$1,143
HVAC Services	\$211	\$549	\$296
IT & Managed Services	\$325	\$840	\$454
Legal Services	\$584	\$1,245	\$749
Manufacturing	\$662	\$905	\$723
Oil & Gas	\$710	\$1,003	\$783
Pharmaceutical	\$196	\$160	\$187
Real Estate	\$660	\$1,185	\$791
Software Development	\$680	\$841	\$720
Solar Energy	\$235	\$707	\$353
Transportation & Logistics	\$436	\$732	\$510

Outsource with Abstrakt and Ensure Your CAC Remains Low

By outsourcing customer acquisition to Abstrakt, you can reduce your costs by up to 1/3 compared to an internal team. Abstrakt's team utilizes various forms of outreach, like email campaigns, cold calling, and inbound marketing content, so you can focus on closing deals and growing your company.

Through our programs, your business can access a greater talent pool at a fraction of the usual costs. **Contact us today to find out how we can help you lower your customer acquisition costs while boosting results.**