The digital revolution has significant impact on every facet of business, particularly marketing. Today, organizations are required to frame effective strategies to utilize the opportunities thrown open by digitalization. Marketing strategies that involve the convergence of marketing and technology enabled by internet is a significant move to build brands and stay competitive. The digital marketing strategies involve the effective use of owned, earned, paid, and shared media in planning and executing strategies for customer acquisition, retention, transaction, loyalty and brand building. Though many companies have started using digital marketing tools and techniques to engage customers effectively, a majority of them fail to measure the effectiveness of such efforts. This paper explains the importance of measuring digital marketing performance. The major KPIs and metrics available for measuring the digital marketing performance and their objectives are analysed. The marketers need to adopt a combination of required KPIs and metrics to analyze the financial and nonfinancial results of their digital marketing efforts so that suitable corrections can be done to achieve the objectives of their digital marketing programmes.