

# The AARRR Metrics Cheat Sheet

Essential Key Performance Indicators for Product Managers

Metric	Formula / Definition	Why it Matters
<b>1. Acquisition — How do users find you?</b>		
<b>CAC</b> (Customer Acquisition Cost)	$\frac{\text{Total Sales & Marketing Costs}}{\text{New Customers Acquired}}$	Tells you if your growth is profitable. <b>Target:</b> An LTV:CAC ratio of 3:1.
<b>Traffic / Lead Volume</b>	Total visitors or leads generated by channel.	Measures top-of-funnel health and marketing effectiveness.
<b>2. Activation — Do they have a great first experience?</b>		
<b>Activation Rate</b>	$\frac{\text{Users reaching "Aha Moment"}}{\text{Total Signups}} \times 100$	The most critical early-stage metric. You must define your own "Aha Moment" (e.g., "sent 1st message").
<b>Time to Value (TTV)</b>	Time from Signup → Activation Event.	Shorter is better. Long TTV kills retention rates before they even start.
<b>3. Retention — Do they come back?</b>		
<b>Churn Rate</b>	$\frac{\text{Customers Lost in Period}}{\text{Total Customers at Start}} \times 100$	The "leaky bucket" metric. High churn makes sustainable growth impossible.
<b>DAU / MAU Ratio</b> (Stickiness)	$\frac{\text{Daily Active Users}}{\text{Monthly Active Users}}$	Measures habit formation. <b>Benchmark:</b> 20%+ is good; 50%+ is world-class (e.g., social apps).
<b>4. Revenue — How do you make money?</b>		
<b>MRR / ARR</b>	Sum of all active subscriptions (Monthly or Annually).	The holy grail for SaaS growth and valuation. Tracks recurring health.
<b>LTV</b> (Lifetime Value)	$\frac{\text{ARPU} \times \text{Gross Margin \%}}{\text{Revenue Churn Rate}}$	Predicts the total profit you will make from a single customer over their entire lifespan.
<b>5. Referral — Do they tell others?</b>		
<b>NPS</b> (Net Promoter Score)	$(\% \text{Promoters}) - (\% \text{Detractors})$	Measures long-term loyalty and sentiment (Propensity to recommend).
<b>Viral Coefficient</b>	Referrals per user × Conversion rate	If result is > 1, you have viral growth (each user brings in more than 1 new user).