# Metrics for Success: Freemium Strategy

## Overview

This document outlines the key metrics for measuring the success of the Setarcos app's freemium strategy across all tiers. These metrics are designed to provide actionable insights for ongoing optimization while maintaining alignment with both business goals and user experience quality.

## Core Metric Categories

### 1. Acquisition Metrics

#### New User Registration

* **Definition**: Number of new users who complete the registration process
* **Segmentation**: By acquisition channel, device type, and geographic region
* **Target**: [Set monthly targets based on growth goals]
* **Insight Value**: Measures effectiveness of acquisition strategies and app appeal

#### Onboarding Completion Rate

* **Definition**: Percentage of new users who complete the full onboarding process
* **Calculation**: (Users completing onboarding / New registrations) × 100%
* **Target**: >85% completion rate
* **Insight Value**: Indicates initial user experience quality and clarity

#### First-Day Retention

* **Definition**: Percentage of new users who return to the app on day 1 after registration
* **Calculation**: (Users active on day 1 / New users on day 0) × 100%
* **Target**: >60% retention
* **Insight Value**: Early indicator of initial value perception and onboarding effectiveness

### 2. Engagement Metrics

#### Daily Active Users (DAU)

* **Definition**: Number of unique users who engage with the app in a 24-hour period
* **Segmentation**: By tier, feature usage, and user tenure
* **Target**: [Set based on total user base]
* **Insight Value**: Measures overall app stickiness and daily engagement

#### Monthly Active Users (MAU)

* **Definition**: Number of unique users who engage with the app in a 30-day period
* **Segmentation**: By tier, feature usage, and user tenure
* **Target**: [Set based on growth goals]
* **Insight Value**: Measures broader user base and overall reach

#### DAU/MAU Ratio

* **Definition**: Ratio of daily active users to monthly active users
* **Calculation**: DAU / MAU
* **Target**: >0.3 (indicating users engage multiple times per month)
* **Insight Value**: Measures app stickiness and habit formation

#### Session Metrics

* **Average Session Length**:
  + Definition: Average time users spend in the app per session
  + Target: 8-12 minutes for mobile sessions
  + Segmentation: By tier, feature, and time of day
* **Session Frequency**:
  + Definition: Average number of sessions per user per week
  + Target: 4+ sessions per week
  + Segmentation: By tier and user tenure
* **Session Depth**:
  + Definition: Average number of features/screens accessed per session
  + Target: 3+ features per session
  + Insight Value: Indicates depth of engagement and feature discovery

#### Feature Engagement

* **Feature Adoption Rate**:
  + Definition: Percentage of users who use each core feature
  + Calculation: (Users who used feature / Total active users) × 100%
  + Segmentation: By tier and user tenure
  + Target: >70% adoption for core features
* **Feature Usage Frequency**:
  + Definition: Average number of times each feature is used per active user
  + Segmentation: By tier and user tenure
  + Insight Value: Identifies most valuable features by tier
* **Feature Usage Distribution**:
  + Definition: Percentage breakdown of time spent across different features
  + Insight Value: Identifies feature value and potential areas for improvement

#### Gamification Metrics

* **XP Accumulation Rate**:
  + Definition: Average XP earned per active user per week
  + Segmentation: By tier and activity type
  + Insight Value: Measures engagement with gamification system
* **Streak Maintenance**:
  + Definition: Average streak length maintained by users
  + Segmentation: By tier
  + Target: 5+ day average streak
  + Insight Value: Indicates habit formation success
* **Badge Completion Rate**:
  + Definition: Percentage of available badges earned by users
  + Segmentation: By tier and badge category
  + Insight Value: Measures achievement-oriented engagement

### 3. Conversion Metrics

#### Tier Conversion Rate

* **Definition**: Percentage of users who upgrade from one tier to another
* **Calculations**:
  + Free to Paid Conversion: (Users upgrading to any paid tier / Free users) × 100%
  + Tier 1 to Tier 2: (Users upgrading to Tier 2 / Tier 1 users) × 100%
  + Tier 2 to Tier 3: (Users upgrading to Tier 3 / Tier 2 users) × 100%
* **Targets**:
  + Free to Paid: >5% monthly conversion rate
  + Tier 1 to Tier 2: >10% quarterly conversion rate
  + Tier 2 to Tier 3: >5% quarterly conversion rate
* **Insight Value**: Directly measures freemium strategy effectiveness

#### Time to Conversion

* **Definition**: Average time from registration to first paid subscription
* **Segmentation**: By acquisition channel and initial engagement patterns
* **Target**: Decrease over time as conversion strategy improves
* **Insight Value**: Helps optimize conversion touchpoints and timing

#### Conversion Touchpoint Effectiveness

* **Definition**: Conversion rate for each specific upgrade touchpoint
* **Calculation**: (Upgrades from touchpoint / Touchpoint impressions) × 100%
* **Segmentation**: By touchpoint type, location, and messaging
* **Insight Value**: Identifies most effective conversion triggers

#### Trial Conversion Rate

* **Definition**: Percentage of free trial users who convert to paid subscriptions
* **Calculation**: (Paid conversions / Trial starts) × 100%
* **Target**: >40% conversion rate
* **Insight Value**: Measures effectiveness of trial experience and value demonstration

#### Paywall View-to-Conversion Rate

* **Definition**: Percentage of paywall views that result in subscription
* **Calculation**: (Subscriptions / Paywall views) × 100%
* **Segmentation**: By paywall type and entry point
* **Target**: >5% conversion rate
* **Insight Value**: Measures paywall effectiveness and pricing strategy

### 4. Retention Metrics

#### Tier-Specific Retention Rates

* **Definition**: Percentage of users who remain active after specific time periods
* **Calculations**:
  + 7-day retention: (Users active after 7 days / New users) × 100%
  + 30-day retention: (Users active after 30 days / New users) × 100%
  + 90-day retention: (Users active after 90 days / New users) × 100%
* **Segmentation**: By tier, acquisition channel, and initial feature usage
* **Targets**:
  + Free Tier: >40% 30-day retention
  + Tier 1: >60% 30-day retention
  + Tier 2: >70% 30-day retention
  + Tier 3: >80% 30-day retention
* **Insight Value**: Core indicator of long-term app value and tier-specific satisfaction

#### Churn Rate

* **Definition**: Percentage of users who become inactive or cancel subscription
* **Calculations**:
  + Free tier churn: (Free users who become inactive / Total free users) × 100%
  + Paid tier churn: (Subscribers who cancel / Total subscribers) × 100%
* **Segmentation**: By tier, tenure, and usage patterns
* **Targets**:
  + Free tier: <15% monthly churn
  + Paid tiers: <5% monthly churn
* **Insight Value**: Direct measure of user dissatisfaction or value perception issues

#### Winback Rate

* **Definition**: Percentage of churned users who return and reactivate
* **Calculation**: (Reactivated users / Churned users targeted) × 100%
* **Segmentation**: By previous tier, churn reason, and winback campaign
* **Target**: >10% winback rate
* **Insight Value**: Measures effectiveness of re-engagement strategies

#### Subscription Renewal Rate

* **Definition**: Percentage of subscriptions that renew at the end of their term
* **Calculation**: (Renewals / Subscriptions up for renewal) × 100%
* **Segmentation**: By tier, subscription length, and usage patterns
* **Target**: >85% renewal rate
* **Insight Value**: Direct measure of ongoing value perception

#### Upgrade and Downgrade Rates

* **Definition**: Percentage of paid users who upgrade or downgrade between tiers
* **Calculations**:
  + Upgrade rate: (Users who upgrade tier / Total paid users) × 100%
  + Downgrade rate: (Users who downgrade tier / Total paid users) × 100%
* **Target**: Upgrade rate > Downgrade rate
* **Insight Value**: Indicates tier value perception and pricing strategy effectiveness

### 5. Revenue Metrics

#### Average Revenue Per User (ARPU)

* **Definition**: Average revenue generated per active user
* **Calculation**: Total revenue / Total active users
* **Segmentation**: By tier, acquisition channel, and user tenure
* **Target**: Increase over time as tier strategy optimizes
* **Insight Value**: Overall monetization effectiveness

#### Average Revenue Per Paying User (ARPPU)

* **Definition**: Average revenue generated per paying user
* **Calculation**: Total revenue / Total paying users
* **Segmentation**: By tier, subscription length, and feature usage
* **Insight Value**: Measures monetization depth among converted users

#### Lifetime Value (LTV)

* **Definition**: Predicted total revenue a user will generate before churning
* **Calculation**: ARPU × Average user lifespan
* **Segmentation**: By tier, acquisition channel, and initial feature usage
* **Target**: Increase over time, significantly higher than CAC
* **Insight Value**: Long-term value of user acquisition and retention efforts

#### LTV to CAC Ratio

* **Definition**: Ratio of customer lifetime value to customer acquisition cost
* **Calculation**: LTV / CAC
* **Target**: >3:1 ratio
* **Insight Value**: Measures overall business sustainability and acquisition efficiency

#### Revenue Distribution by Tier

* **Definition**: Percentage breakdown of revenue by subscription tier
* **Insight Value**: Identifies most valuable tiers and potential optimization opportunities

### 6. Feature-Specific Metrics

#### AI Feature Metrics

* **AI Model Usage Distribution**:
  + Definition: Percentage breakdown of usage across available AI models (Tier 3)
  + Insight Value: Identifies most valuable AI models and user preferences
* **AI Response Rating**:
  + Definition: Average rating of AI responses using the ContemplativeOrb system
  + Segmentation: By AI model, philosophical tone, and question category
  + Target: >4.2/5 average rating
  + Insight Value: Measures AI quality perception and satisfaction
* **AI Feature Utilization**:
  + Definition: Average number of AI interactions per user per week
  + Segmentation: By tier and philosophical tone
  + Insight Value: Measures engagement with core AI features

#### Ask Feature Metrics

* **Question Frequency**:
  + Definition: Average number of questions asked per active user per week
  + Segmentation: By tier and philosophical tone
  + Insight Value: Measures engagement with core Ask feature
* **Tone Exploration**:
  + Definition: Percentage of available tones used by each user
  + Segmentation: By tier
  + Target: >70% of available tones explored
  + Insight Value: Measures feature exploration depth
* **Expanded Insights Usage**:
  + Definition: Percentage of eligible responses where expanded insights are requested
  + Segmentation: By tier and philosophical tone
  + Target: >30% expansion rate
  + Insight Value: Measures premium feature utilization

#### Quest Feature Metrics

* **Quest Completion Rate**:
  + Definition: Percentage of started quests that are completed
  + Segmentation: By tier, quest difficulty, and quest category
  + Target: >60% completion rate
  + Insight Value: Measures quest design effectiveness and engagement
* **Quest Progression Velocity**:
  + Definition: Average time to complete quests
  + Segmentation: By tier and quest difficulty
  + Insight Value: Indicates engagement pace and content consumption rate
* **Challenge Node Attempt Rate**:
  + Definition: Percentage of available challenge nodes attempted
  + Segmentation: By tier
  + Target: >40% attempt rate
  + Insight Value: Measures engagement with premium quest features

#### Explore Feature Metrics

* **Concept Exploration Depth**:
  + Definition: Average number of related concepts explored per session
  + Segmentation: By tier
  + Target: Increasing trend over time
  + Insight Value: Measures depth of philosophical exploration
* **Visualization Mode Usage**:
  + Definition: Distribution of time spent in different visualization modes
  + Segmentation: By tier
  + Insight Value: Identifies most valuable visualization features
* **Concept Mastery Progression**:
  + Definition: Average mastery level increase per month
  + Segmentation: By tier and concept category
  + Insight Value: Measures long-term engagement with concept system

### 7. User Satisfaction Metrics

#### Net Promoter Score (NPS)

* **Definition**: Measure of user satisfaction and loyalty
* **Calculation**: Percentage of Promoters (9-10) minus percentage of Detractors (0-6)
* **Segmentation**: By tier and user tenure
* **Target**: >40 NPS
* **Insight Value**: Overall indicator of user satisfaction and referral potential

#### Feature Satisfaction Ratings

* **Definition**: User ratings of specific features
* **Collection Method**: In-app surveys and feedback forms
* **Segmentation**: By tier and feature
* **Target**: >4.2/5 average rating
* **Insight Value**: Identifies feature-specific satisfaction and improvement areas

#### Upgrade Satisfaction

* **Definition**: Satisfaction rating from users after upgrading tiers
* **Collection Method**: Post-upgrade survey
* **Target**: >4.5/5 average rating
* **Insight Value**: Measures perceived value of tier upgrades

#### Value Perception Index

* **Definition**: Composite score of perceived value relative to cost
* **Collection Method**: Periodic user surveys
* **Segmentation**: By tier
* **Target**: Increasing trend over time
* **Insight Value**: Measures price-to-value perception

### 8. Predictive Metrics

#### Conversion Propensity Score

* **Definition**: AI-generated score predicting likelihood of free-to-paid conversion
* **Components**: Usage patterns, engagement depth, feature exploration
* **Application**: Targeting high-propensity users with conversion touchpoints
* **Insight Value**: Enables proactive conversion optimization

#### Churn Risk Score

* **Definition**: AI-generated score predicting likelihood of subscription cancellation
* **Components**: Engagement decline, feature abandonment, support interactions
* **Application**: Targeting at-risk users with retention campaigns
* **Insight Value**: Enables proactive churn prevention

#### Tier Fit Score

* **Definition**: Analysis of how well user's usage patterns match their current tier
* **Components**: Feature utilization, limit encounters, unused benefits
* **Application**: Identifying upgrade or downgrade candidates
* **Insight Value**: Enables tier optimization recommendations

#### Feature Discovery Prediction

* **Definition**: Prediction of which features a user is likely to find valuable
* **Components**: Current usage patterns, similar user behaviors
* **Application**: Personalized feature recommendations
* **Insight Value**: Improves feature discovery and engagement

## Measurement Framework

### Data Collection Methods

* **In-App Analytics**: Comprehensive event tracking for all user interactions
* **Session Recording**: Anonymized session recordings for UX optimization (opt-in)
* **User Surveys**: Periodic in-app satisfaction and feedback surveys
* **A/B Testing**: Structured testing of conversion touchpoints and messaging
* **Cohort Analysis**: Tracking metrics across user cohorts by acquisition date and tier

### Reporting Cadence

* **Daily Monitoring**: DAU, session metrics, conversion rates
* **Weekly Analysis**: Feature engagement, retention trends, revenue metrics
* **Monthly Deep Dives**: Comprehensive analysis of all metrics with action plans
* **Quarterly Strategy Reviews**: Long-term trends and strategic adjustments

### Visualization and Dashboards

* **Executive Dashboard**: High-level KPIs and business health metrics
* **Conversion Funnel Dashboard**: Detailed conversion pathway analysis
* **Engagement Dashboard**: Feature-specific engagement and usage metrics
* **Retention Dashboard**: Cohort analysis and churn prediction
* **Revenue Dashboard**: Financial performance and monetization metrics

## Success Thresholds and Targets

### Year 1 Targets

* **Free-to-Paid Conversion**: >5% of free users convert to paid tiers
* **Tier Distribution**: 85% Free, 10% Tier 1, 4% Tier 2, 1% Tier 3
* **30-Day Retention**: >40% for Free, >60% for paid tiers
* **Feature Adoption**: >70% of users engage with 3+ core features
* **NPS**: >35 across all tiers

### Year 2 Targets

* **Free-to-Paid Conversion**: >8% of free users convert to paid tiers
* **Tier Distribution**: 80% Free, 12% Tier 1, 6% Tier 2, 2% Tier 3
* **30-Day Retention**: >45% for Free, >65% for paid tiers
* **Feature Adoption**: >75% of users engage with 4+ core features
* **NPS**: >40 across all tiers

### Year 3 Targets

* **Free-to-Paid Conversion**: >10% of free users convert to paid tiers
* **Tier Distribution**: 75% Free, 15% Tier 1, 7% Tier 2, 3% Tier 3
* **30-Day Retention**: >50% for Free, >70% for paid tiers
* **Feature Adoption**: >80% of users engage with 4+ core features
* **NPS**: >45 across all tiers

## Optimization Framework

### Continuous Improvement Process

1. **Measure**: Track all defined metrics against targets
2. **Analyze**: Identify underperforming areas and success patterns
3. **Hypothesize**: Develop theories about causes and potential solutions
4. **Test**: Implement A/B tests or controlled changes
5. **Learn**: Analyze results and document insights
6. **Scale**: Implement successful changes app-wide
7. **Repeat**: Continue the optimization cycle

### Key Optimization Areas

* **Conversion Touchpoints**: Optimize timing, messaging, and design
* **Tier Benefits**: Adjust feature allocation across tiers based on usage and value
* **Pricing Strategy**: Test different price points and subscription options
* **Retention Campaigns**: Refine engagement and re-engagement strategies
* **Feature Development**: Prioritize based on engagement and satisfaction metrics

### Mobile-Specific Considerations

* **Session Length Optimization**: Ensure metrics account for typically shorter mobile sessions
* **Notification Effectiveness**: Track notification engagement and conversion impact
* **Offline Usage Patterns**: Monitor engagement with offline-accessible features
* **Device-Specific Performance**: Track metrics across different device types and OS versions
* **Touch Interaction Optimization**: Analyze touch heatmaps for UI improvement