

Grow and scale

Questions answered:

- How do you measure growth?
- How should your growth strategy change as your company matures?
- How can a product manager drive growth?
- Where are my most valuable users coming from?

No analytics guide would be complete without talking about growth. And perhaps you're on the Growth team at your company and skipped ahead to this chapter without reading the part for PMs. You want the details on how to hack growth. We've got news for you: growth for the sake of growth doesn't work.

When you talk about Growth, you are obviously referring to the growth of your company. This concept shows you just how easy it is to pull focus from user value toward your own self-interests. If the Product team is focused on bringing value, then the Growth team should align with that as closely as possible.

QUESTION ANSWERED

How do you measure growth?

ANDREESSEN
HOROWITZ

“More often than not, the right combination of metrics for understanding your business’ growth won’t be the things that are easiest to measure, or even the most favorable. Take

user growth month over month. A company can potentially artificially inflate these numbers by investing heavily in acquisition with things like ad buys, excessive marketing outreach, and other awareness plays that might not be sustainable in the long run, or can oversaturate the market. If these are the only channels for acquisition, growth will eventually stagnate or decline—especially if churn grows.

The best metrics for understanding growth will be aligned with your company's north star metric, and therefore, will vary widely depending on the specific context. In a luxury jewelry company, for example, a key metric might be the number of items sold over \$10k where the buyer is x."

Andrew Chen

General Partner, Andreessen Horowitz; Board Member, Reforge



"User acquisition matters as a growth metric but you also need to focus on retention. If you're churning users, you're not really growing. And while companies like Amazon can afford to stay unprofitable for years, your company probably can't. Outrageous success stories are outliers. Don't get dazzled by what works for them. Focus on what works for you. What's 'table stakes' will vary by industry and market, but these days, it's all about UX—especially at the onboarding stage. Make the user jump through hoops to use your app/software, and they will simply hop away."

Carlos González de Villaumbrosia

CEO, Product School

QUESTION ANSWERED

How should your growth strategy change as your company matures?

If the goal of Product is to create value, the goal of Growth is to identify all the people out there who can benefit from the value that your product brings. At an early startup stage, it will likely be a very small, niche audience. When you reframe growth in this way, demand generation becomes less about convincing an unwilling crowd to buy your product and more about showing people that your product can bring value to them or alleviate some friction in their lives.

When you find your product-market fit, measuring growth and value becomes even more important. Given the costs of ads and the fracture of channels and media, a core challenge will be to scale your reach beyond the niche market you've already captured. At this point, you've hopefully collected enough data that will guide your acquisition in terms of who those users are, where to find them, and how to educate them about your product's value. Product analytics will help you stay the course and spend your budget efficiently.



“When you’re a startup, you need to throw a lot of things against the wall and see what sticks. Your approach is often broad—like a shotgun. And then when you start noticing what works, you can become more focused—like a sniper rifle. This is product-market fit. Through trial, error, and experimentation you’ve found what works and now you can focus on this almost exclusively. When you reach maturity, you can consider expanding again, using your established clout, resources, and expertise to open new avenues and opportunities for growth.”

Carlos González de Villaumbrosia

CEO, Product School



“Most companies find all of their early growth from just a single channel (e.g., word of mouth, SEO, or sales). Over time, that channel normally continues to stay the primary growth engine—because it’s hard to strike oil twice. But over time it makes sense to layer on additional channels to accelerate growth, because every channel slows down eventually. This is often when companies add paid growth, referrals, or build a sales team.”

Lenny Rachitsky

Advisor & Former Lead PM, Airbnb

QUESTION ANSWERED

How can a product manager drive growth?

Beyond acquiring users, the key to growth is retention. Similarly to how in its early days Facebook found that adding 7 friends in 10 days was their **shortcut to value**, you can use product data to identify your product’s unique ancillary action that increases the likelihood of retention.

This only comes with having a clear idea of the foundations laid out in this Guide (e.g., value moment, user journey, product usage interval) and then regularly asking questions in terms of what else users are doing (frequency, depth, breadth) that are the behavioral markers for long-term loyalty. If you do find that shortcut, you can nurture new users in their critical early stages to reach value quickly and maybe even spread word of your product’s value organically, thus creating a **self-feeding loop**.



“The strategy is to try and understand, as soon as possible, what a retained user regularly does and then try to get users who are not retained to form the same habits. Eventually, we want to provide users with the content that will increase retention and encourage them to stay in for a long enough time for others to join. This is really the network effect. Because as more people join, eventually the more active or more retained they’ll be.”

Idan Dadon

Product Manager, Viber



“Let’s say five people take a trip but only one goes through the whole planning and booking process. There are four other adults attached to the trip that we (Vrbo) never communicated with. We don’t yet have their information. We aim for organic growth, by trying to get the other people on the trip—the guests of guests—involved. It’s a free/inexpensive acquisition channel instead of having to reach out to a completely unknown person.”

Jamie Kapilivsky

Data Insights, Vrbo, part of Expedia Group

DocuSign

“We have more than 661,000 customers and hundreds of millions of users around the world—we want them all to love the DocuSign experience. The ‘wow...that was easy’ reaction cements the positive impression and helps to drive viral growth. After all, once they see the value of going digital, they rarely go back to paper.”

Drew Ashlock

Lead Product Manager, DocuSign

In this section on growth, we’ve repeated the importance of educating potential users about the value that your product can bring. The tricky part is that, out in the wild, it is hard to distinguish a potential user from a person who has no use for your product. The

previous chapters focused on how to break down users based on behavior since, as a PM, you have the ability to influence user actions (and ultimately find that magic shortcut to value).

QUESTION ANSWERED

Where are my most valuable users coming from?

With Mixpanel, you can segment users based on their source and find or confirm whether you are targeting the right group. In the Funnels report, you can compare conversion rates and see where your engaged users are coming from. Organic traffic? Google Ads? LinkedIn? Best case: you find that your targeting criteria on Twitter ads are spot on and you double down. Worst case: you find that the bought users find less value (because they don't retain) than the organic users or users from other sources, so you modify the targeting criteria for your ad audience.

Unpack growth metrics

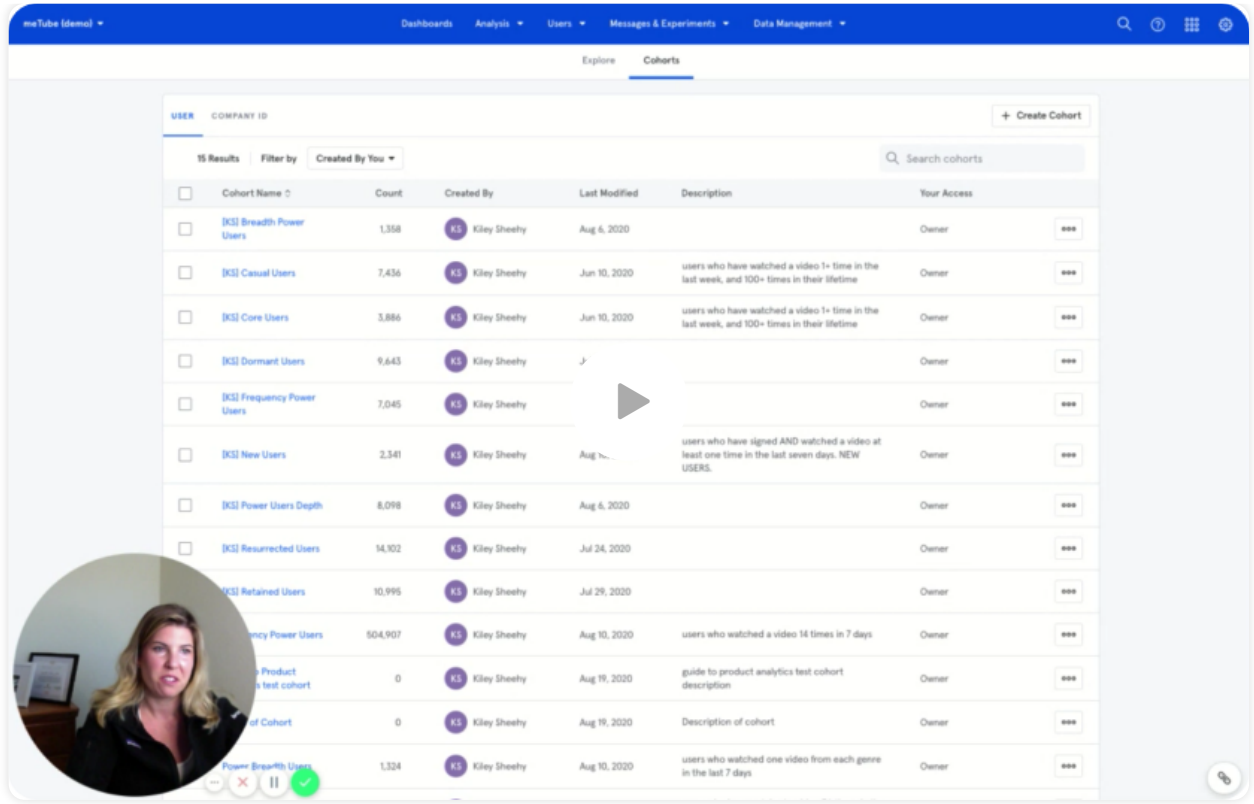
 [Watch now](#)



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Growth is about finding people who need your product and showing them that your product can bring value to them. Product analytics can help you see the impact beyond vanity metrics (like email open rates or pipeline) so you can focus on what really matters: serving the user.



NEXT UP

Conclusion

Read Conclusion



PRODUCT

- Team Boards & Alerts
- Interactive Reports
- Limitless Segmentation
- Group Analytics
- Data Integrations
- Scalable Infrastructure
- Security & Privacy
- Integration Directory

SOLUTIONS

- Convert
- Engage
- Retain

RESOURCES

- Product Updates
- Customer Stories
- Blog
- FAQs
- Content Library
- Digital Events
- User Community
- Partners
- Testimonials

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