

UNDERSTANDING PRODUCT METRICS 101

The Ultimate List by Paweł Huryn

ENGAGEMENT METRICS

Daily Active Users (DAU)

The number of unique users who engage with the product daily.



Monthly Active Users (MAU)

The number of unique users who engage with the product monthly.



Stickiness

The ratio of daily active users (DAU) to monthly active users (MAU), which indicates how often users engage with the product.

$\text{Stickiness} = \text{DAU} / \text{MAU}$



User Satisfaction

A measure of how satisfied users are with the product, often determined through surveys or in-app feedback (e.g., Pendo, Gainsight).



Session Length

The duration of a user's interaction with the product during a single session.



There isn't a single standardized method or rating scale. This could be a numeric scale (e.g., 1 to 5 or 1 to 10), a star rating, or a qualitative scale (e.g., poor, average, excellent).

Session Frequency

The average number of sessions per user within a specific time frame.



Feature Usage

The frequency and depth of usage for specific product features.



Customer Effort Score (CES)

Measures the ease with which customers can interact with your product or service. It is often determined by asking users to rate the effort required to accomplish a task or resolve an issue on a scale from very low to very high effort.



A lower CES indicates a more user-friendly product, which can lead to higher user satisfaction and loyalty.

Task Success Rate

The percentage of users who successfully complete a specific task or set of tasks within your product. This metric helps assess the usability and effectiveness of your product's features.



User Feedback Score

A quantitative measure of user satisfaction gathered through surveys, ratings, or reviews.



The Ultimate list of Product Metrics

ACTIVATION METRICS



Time to Value (TTV)

The time it takes for a user to experience the core benefits of your product after starting to use it. A shorter TTV leads to higher user satisfaction, engagement, and retention. In a product-led growth, optimizing TTV is crucial to ensure users quickly understand the value your product delivers.



Onboarding Completion Rate

The percentage of users who complete the onboarding process successfully.



User Activation Rate

The percentage of users who successfully complete a certain milestone in your onboarding process.



Trial-to-Paid Conversion Rate

The percentage of trial users who convert into paying customers.



First-time User Conversion Rate

The percentage of first-time users who complete a desired action, such as creating an account or purchasing. This metric helps assess the effectiveness of the onboarding process.

REFERRAL METRICS



Virality Coefficient

The number of new users acquired through referrals by existing users.



Customer Referral Rate

The percentage of customers who refer others to the product.



Referral Conversion Rate

The percentage of referrals that convert to active users.



Net Promoter Score (NPS)

A measure of customer satisfaction and loyalty based on how likely users are to recommend the product to others. $NPS = \% \text{ of Promoters} - \% \text{ of Detractors}$

Warning: NPS measures customer attitude and sentiment, not the actual behavior.

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REVENUE METRICS



Average Revenue Per Account (ARPA)

The average revenue generated per account (customer) within a specific time frame. For example, monthly.



Customer Lifetime Value (CLV/LTV)

The total revenue a user generates during their entire relationship with the product.
 $CLV = \text{Customer Lifetime} * ARPA$



Customer Profitability

The difference between the lifetime value of a customer (LTV) and the cost of acquiring them (CAC).



Monthly Recurring Revenue (MRR)

The predictable revenue generated by a subscription-based product on a monthly basis.



Expansion Revenue

Additional revenue generated from existing customers, through upsells, crosssells, or add-on purchases.



Revenue Churn

The amount of revenue lost due to customer cancellations, downgrades, or non-renewals within a specific time period.



Average Contract Value (ACV)

The average revenue generated from each customer contract, which can help assess the effectiveness of pricing and packaging strategies.

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RETENTION METRICS



Churn Rate

The percentage of users who stop using the product within a specific time period, e.g. monthly.



User Retention Rate

The percentage of users who continue using the product after a specific time period. Often monthly.



User Renewal Rate

The percentage of users who renew their subscription or continue using the product after their initial contract period.



Customer Lifetime

The average time it takes for a user to stop using the product.
 $\text{Customer Lifetime} = 1/\text{Churn Rate}$



Customer Health Score

A composite metric that combines multiple indicators, such as usage, satisfaction, and support interactions, to provide an overall assessment of the customer's relationship with the product.



Product Adoption Rate

The percentage of users who adopt new features or functionality within a certain time frame after release.

ACQUISITION METRICS



Bounce Rate

The percentage of visitors who leave your website after viewing just one page. A high bounce rate may indicate issues with the landing page (e.g., messaging) or targeting.



Conversion Rate

The percentage of users who take a desired action, like signing up for a newsletter.



Landing Page Conversion Rate

The percentage of visitors who take a desired action on a specific landing page, like signing up or starting a trial, on a specific landing page.



Cost of Customer Acquisition (CAC)

The cost of acquiring a new customer through marketing and sales efforts.



Channel Effectiveness

The success of each acquisition channel in driving traffic, sign-ups, or purchases.



Traffic Source Distribution

The breakdown of incoming user traffic by different sources, such as organic search, referrals, or paid ads.