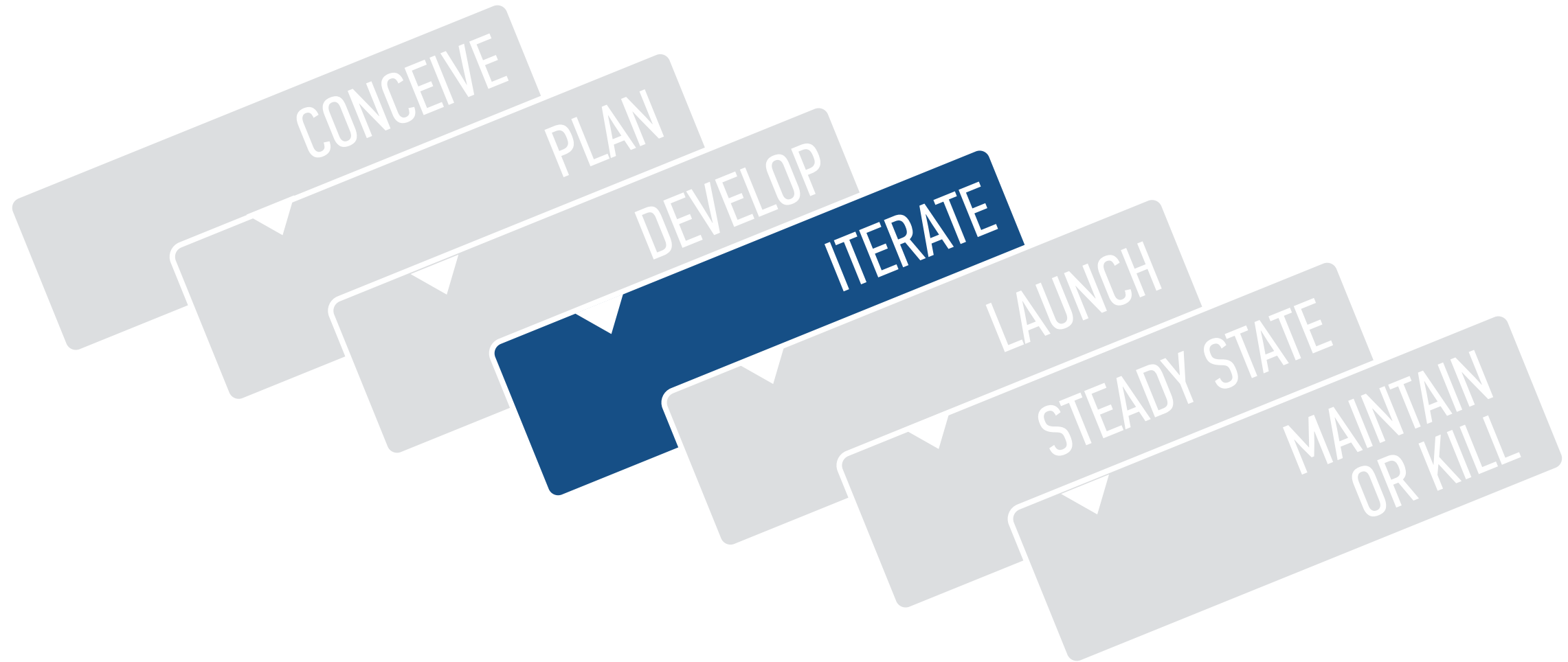


METRICS

Andy Acs

PDM 8

METRICS



METRICS

LEARNING OBJECTIVES

- › Identify the right metrics and KPIs to track for a variety of products
- › Identify tools you can to measure your metrics
- › Understand the concept of the customer conversion funnel, and how the stage of funnel determines what you need to measure and track

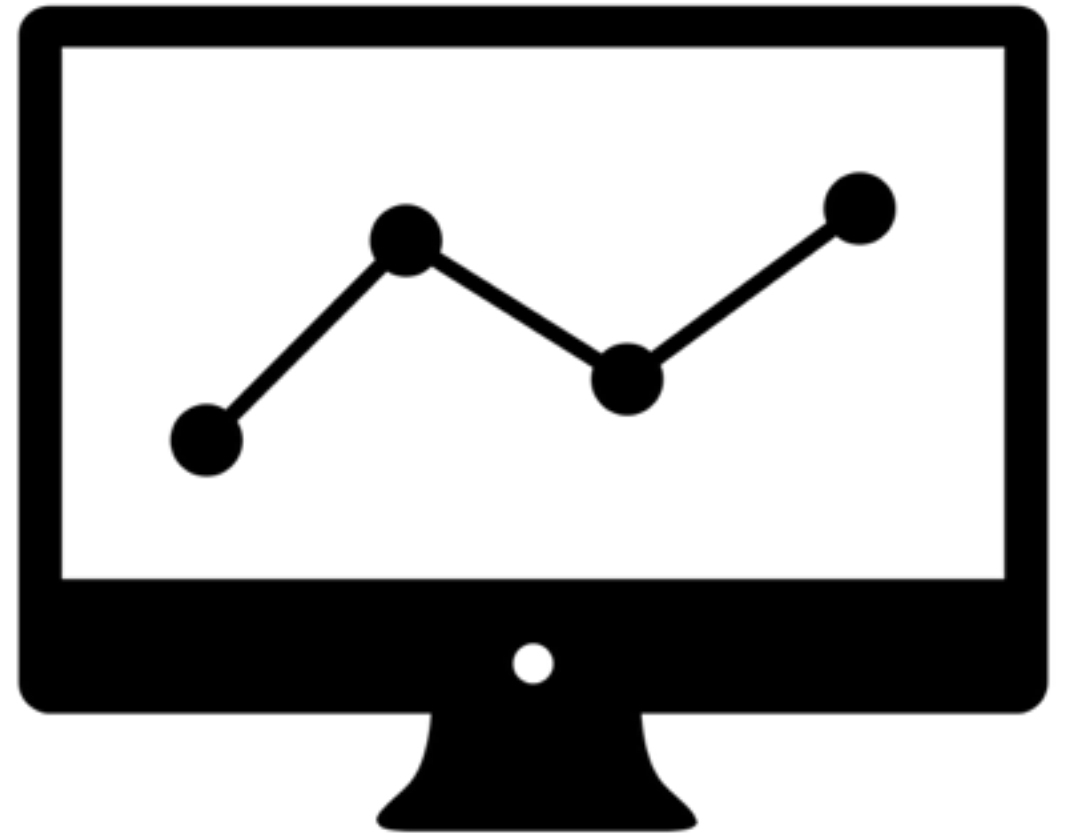
METRICS

KPIS

WHY IS IT IMPORTANT TO USE **METRICS** AS A PRODUCT MANAGER?

KPIS

WHAT IS A KEY PERFORMANCE INDICATOR?



**Chart by Wilson Joseph from The Noun Project*

KPIS SHOULD BE:



SPECIFIC



MEASURABLE



TIMELY

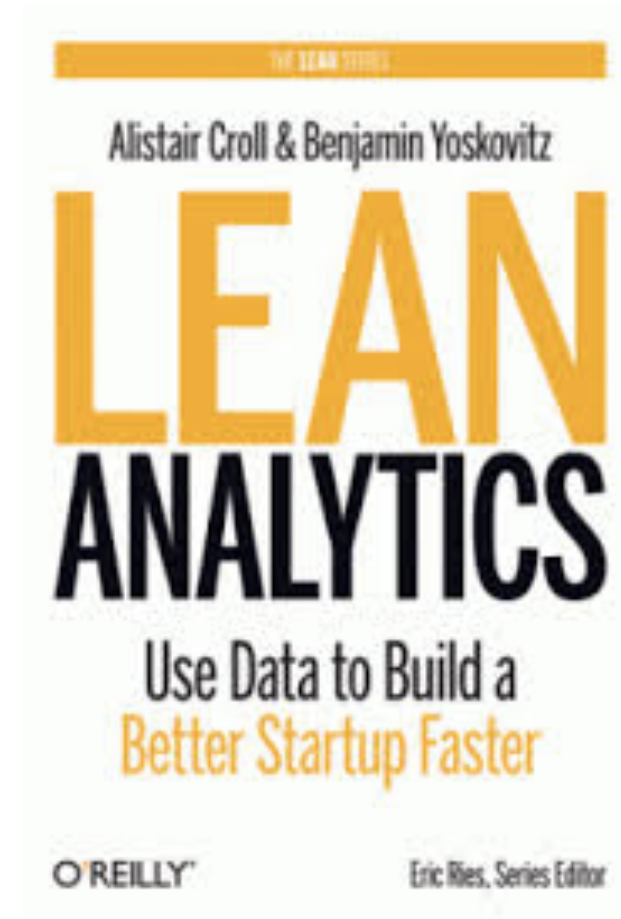


REALISTIC



ACTIONABLE

ONE METRIC THAT MATTERS



KPIS

A GOOD METRIC IS

Understandable

If you're busy explaining the data, you won't be busy acting on it.

Comparative

Comparison is context.

A rate or ratio

The only way to measure change & roll up the tension between two metrics (MPH).

Behavior Changing

Who's behavior are you trying to change, and how are you measuring it?

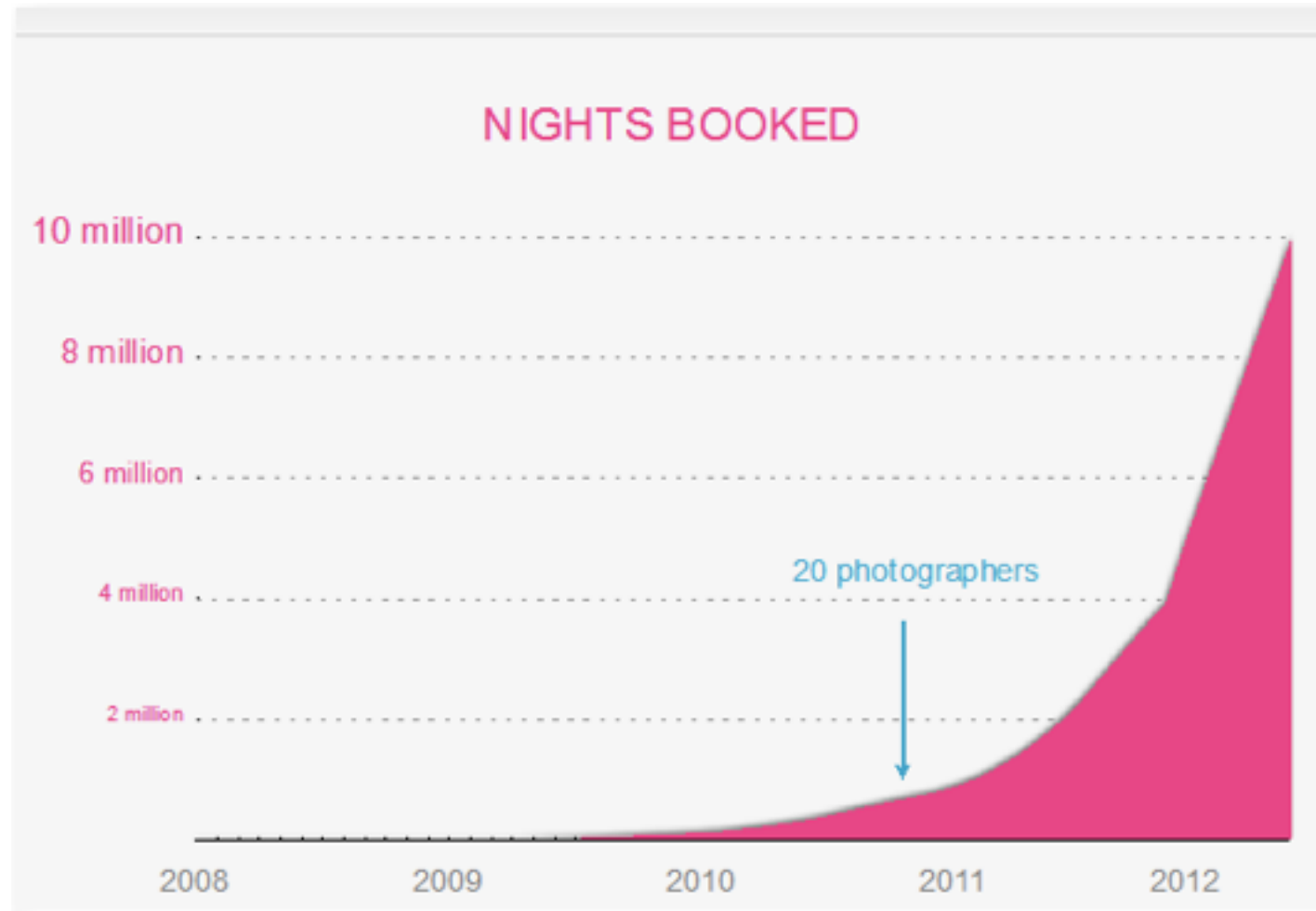
KPIS

AIRBNB

- | | |
|-------------------|---|
| Metric | Improve the number of nights a property was rented. |
| Hypothesis | Professional quality photos will increase number of nights the place is booked for. |
| Experiment | Hire a few photographers to professionally photograph a few properties and compare booking rates. |

KPIS

RESULT

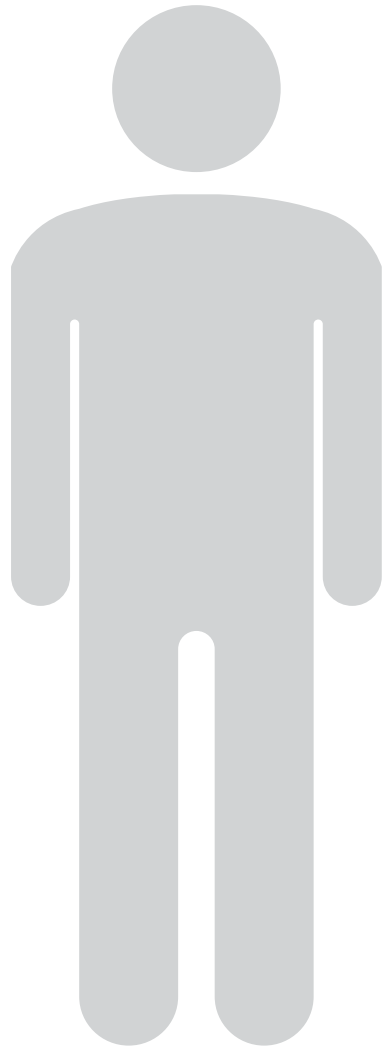


METRICS

CUSTOMER CYCLE

**WHAT IS A CUSTOMER CYCLE
THROUGH A PRODUCT?**

CUSTOMER CYCLE



CUSTOMERS WILL...

**VISIT & ARRIVE
INTERACT & ENJOY
COME BACK
SPREAD THE WORD
GENERATE REVENUE**

CUSTOMER CYCLE

MEASURE YOUR CUSTOMER JOURNEY.

AARRR

**ACQUISITION
ACTIVATION
RETENTION
REFERRAL
REVENUE**



CUSTOMER CYCLE

Example Conversion Metrics

Category	User Status	Conv %	Est. Value
Acquisition	Visit Site (or landing page, or external widget)	100%	\$.01
Acquisition	Doesn't Abandon (views 2+ pages, stays 10+ sec, 2+ clicks)	70%	\$.05
Activation	Happy 1 st Visit (views X pages, stays Y sec, Z clicks)	30%	\$.25
Activation	Email/Blog/RSS/Widget Signup (anything that could lead to repeat visit)	5%	\$1
Activation	Acct Signup (includes profile data)	2%	\$3
Retention	Email Open / RSS view → Clickthru	3%	\$2
Retention	Repeat Visitor (3+ visits in first 30 days)	2%	\$5
Referral	Refer 1+ users who visit site	2%	\$3
Referral	Refer 1+ users who activate	1%	\$10
Revenue	User generates minimum revenue	2%	\$5
Revenue	User generates break-even revenue	1%	\$25

WHAT IS ACQUISITION?

ACQUISITION

GETTING NEW PEOPLE TO YOUR PRODUCT.

WAYS TO CLASSIFY A NEW ACQUISITION?

- Spends at least 1 minute on a page
- Visits at least 2 pages

WHERE ARE THESE PEOPLE COMING FROM (SOURCES)?

- Social Media
- Word of Mouth
- Blogs
- SEO

CUSTOMER CYCLE

KEY TERMINOLOGY

SOURCE

BOUNCE RATE

COST PER CONVERSION

CTR

AVERAGE CPC

CONVERSIONS

IMPRESSIONS

CLICKS

CUSTOMER CYCLE

HOW WOULD



MEASURE ACQUISITION?

WHAT IS ACTIVATION?

CUSTOMER CYCLE

ACTIVATION

WHEN NEW USERS SIGN-UP, USE, AND ENJOY YOUR PRODUCT.

WAYS TO CLASSIFY A NEW ACTIVATION?

Signed-Up

Filled Out a Form

KEY TERMINOLOGY

PAGES PER VISIT

CLICKS PER CONVERSION

TIME ON SITE

TASK / ACTIVITY COMPLETION

TIME PER CONVERSION

CUSTOMER CYCLE

HOW WOULD



MEASURE ACTIVATION?

WHAT IS RETENTION?

RETENTION

USERS THAT CONTINUE USING YOUR PRODUCT OVER AND OVER AGAIN.

WAYS TO CLASSIFY A REPEAT USER?

How often do they come back?

How often do they perform specific actions?

How long is each visit to your product?

CUSTOMER CYCLE

KEY TERMINOLOGY

TIME SINCE LAST VISIT

USER LOYALTY

SESSION LENGTH

EMAIL OPEN RATE

CUSTOMER CYCLE

HOW WOULD



MEASURE RETENTION?

WHAT ARE REFERRALS?

CUSTOMER CYCLE

REFERRAL

USERS TELLING FRIENDS TO ALSO BECOME USERS OF YOUR PRODUCT.

WAYS TO ENCOURAGE & INCREASE REFERRALS?

Social Media Features

Building Virality In

Affiliates

KEY TERMINOLOGY

AFFILIATES & AFFILIATE NETWORKS

PAID & ORGANIC GROWTH

VIRALITY

% OF USERS REFERRING

OF REFERRED USERS

CUSTOMER CYCLE

HOW WOULD



MEASURE REFERRALS?

WHAT IS REVENUE?

REVENUE

THE METHOD AND AMOUNT OF MONEY YOU'RE MAKING

THINGS TO CONSIDER ABOUT REVENUE?

How many users are paying?

How long did it take for them to make a
purchase?

KEY TERMINOLOGY

TIME TO FIRST TRANSACTION

BREAK-EVEN

SUBSCRIPTIONS / RECURRING TRANSACTIONS

COST PER ACQUISITION

CUSTOMER CYCLE

HOW WOULD



MEASURE REVENUE?

ACTIVITY



EXERCISE

KEY OBJECTIVE(S)

Discuss strategies to increase KPIs at each phase of the customer cycle for your product

TIMING

25 min

Write down potential metrics for your product using each of the 'AARRR' stages.

DELIVERABLE

A list of strategies that Spotify can use or is currently using to increase KPIs at each phase of the customer cycle.

ACQUISITION
ACTIVATION
RETENTION
REFERRALS
REVENUE

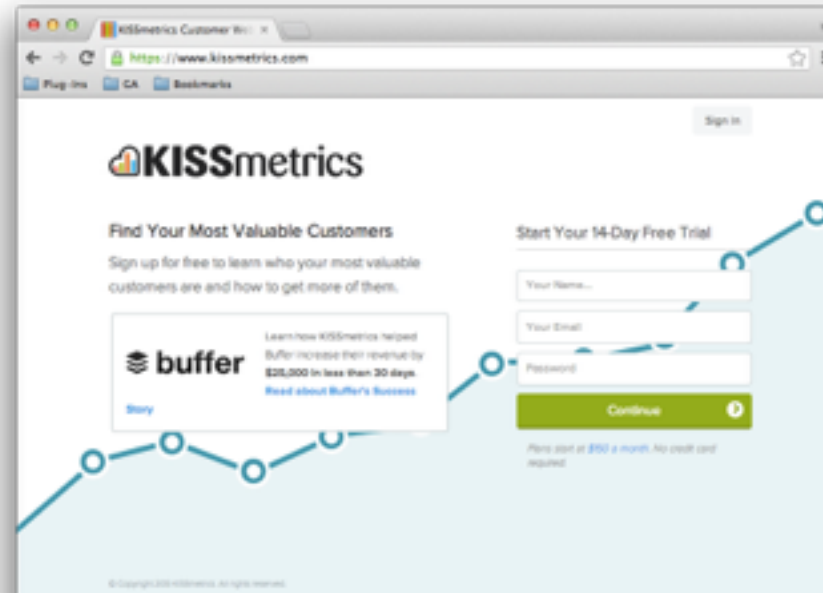
FUNNEL ANALYSIS



TOOLS & RESOURCES



GOOGLE ANALYTICS



KISSMETRICS



COMPETE

METRICS

Q&A