# Metrics That Matter

Creating custom analytics that quantify user behaviors and drive business practices.

How do you measure success? Many online businesses focus on dashboard-friendly metrics that answer questions like: How many new views did we have today? How many new daily active users? How much revenue did we bring in last week? Good information to have—and it's never a bad idea to get people thinking about data—but are you really getting the information you need to make the best-possible decisions?

Modern analytics is about so much more than defining high-level KPIs and building simplistic dashboards to amplify them. With very little additional work, you can create custom analytics that inform product design and business growth. It's as straightforward as defining the behaviors you want to quantify, measuring them in a logical way, and then pushing them through product and process changes— ultimately making for happier customers, more efficient operations, and higher revenues. At the same time, you'll learn what data you should be tracking, so you can refine your metrics and monitor them over the long haul.

Take a look at three different scenarios where custom analytics work to support business goals. By creating specialized metrics that explain user behaviors, each of these companies was able to quantify a negative customer experience, gain valuable insights, and take action to solve the problem.

Define

Quantify

Act & Refine

After the first redesign, many users sent money to friends when they intended to charge them.

# Improve user experience by tracking when it's bad

Today's online businesses now have huge quantities of data at their fingertips, allowing product teams to adapt their designs to actual user behaviors. When Venmo, which produces a peer-to-peer payment app, realized that the vast majority of their users were sending money to friends (rather than charging them), the product team redesigned the interface to make it faster and easier to send money. The result? More people sent more money, boosting engagement metrics—just as the product team had hoped.

But, oops, the redesign caused a problem for the small percentage of people who were trying to request payments from their friends. By making it easier to send money, the new interface had made it more confusing to request payment, which resulted in user errors, double payments, offsetting reversals, and all-around social awkwardness.

How big was the problem? To quantify it, the Venmo product team developed a custom metric called "pay-charge mixup," which measured the number of users who made a payment and then immediately requested double payment.
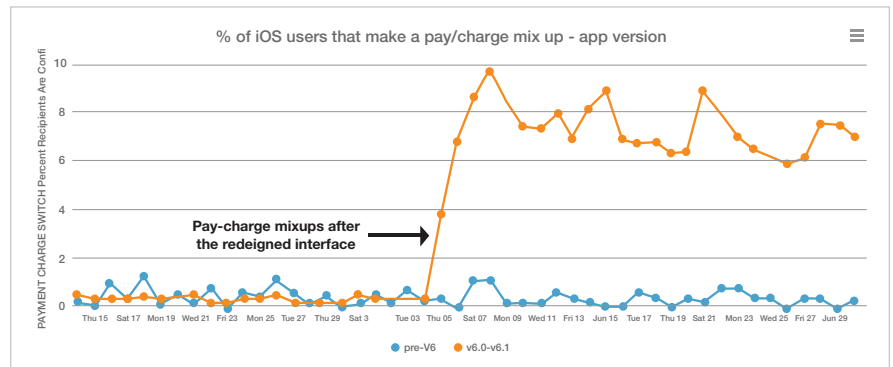


With the new version they saw that the instance of this type of error was unacceptably high. This information gave the team the support they needed to launch another redesign, version 6.2, which fixed the user experience.
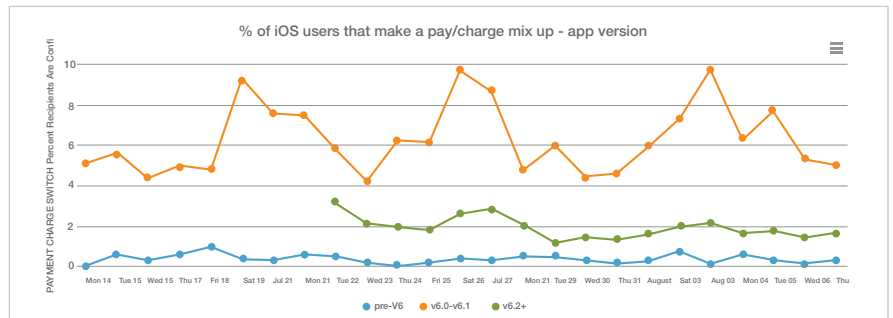


With the fixed version, this bad experience was now back to manageable levels. Going forward, the Venmo product team has a useful metric to watch as they continue to iterate and improve their app.

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## Track user happiness to focus the team

User ratings on app stores represent a crucial metric that can make or break many startups. But think about apps that deliver local services with local supply: innovators like Uber, Lyft, HotelTonight, Instacart, and Shyp. They can often get an unfair rap: If people download the app in a geography where the service doesn't exist, the user has an overall bad experience—and may feel free to share it on the store site.

★ ★ ★ ★ ★

**Not worth it**  I downloaded this app several times hoping that it would be changed...still as it is, limited to cretin famous cities only. craaap.

★ ★ ★ ★ ★

**Worthless** Only a few cities...not worth my time.

Good ratings on app stores are the lifeblood of continuing success. And reviews like these (even ones with bad spelling) can pull down an excellent product or service that's not available in the user's area.

How can a business start small, refine both their product and their operations, and then use data to expand to the right geographies in stages? The solution lies in creating a custom metric that quantifies this bad user experience, starting with: How many users open the app for the first time more than N miles from a service area? N equals whatever distance constitutes a poor experience. Then, having quantified a bad user experience, we can set a goal of driving these down to zero.
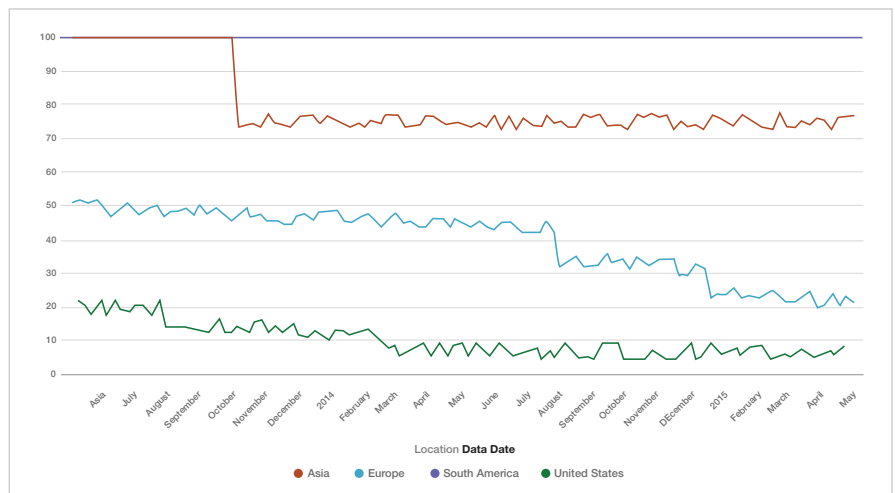


In the example above, a service provider has quantified a poor experience as 40 miles from a service area (N= 40).  The graph shows coverage across several geos: from South America (purple), where coverage is still lacking, down to the United States (green), where coverage continues to improve over time.

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To understand more local effects, and what caused a particularly good improvement in the United States, it's easy to drill down into one particular geo of the United States.
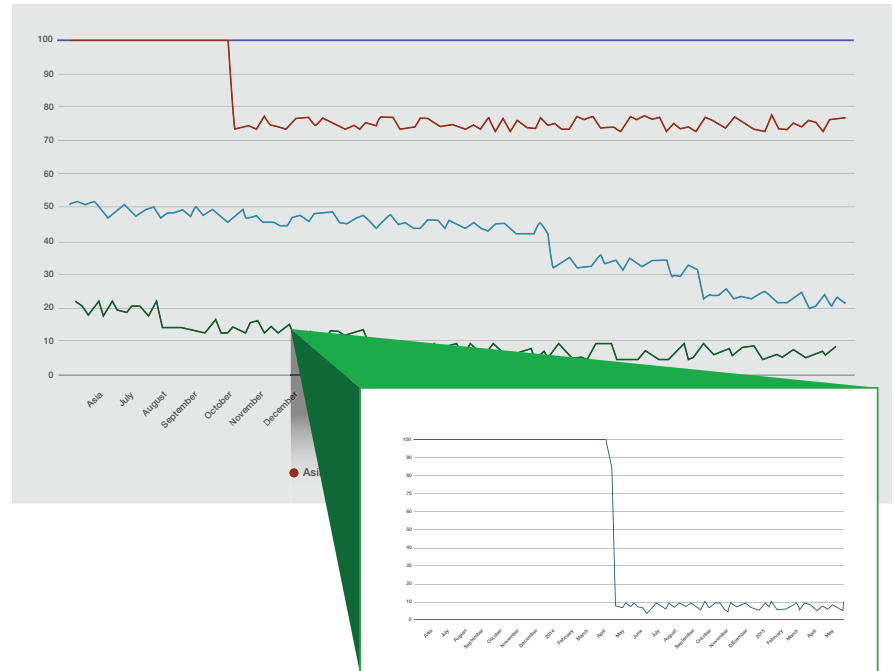


Notice the massive improvement in user experience in Puerto Rico when the product was introduced, which translated into a visible improvement in the U.S. overall. By tracking this custom metric, the business can continue to improve the user interface by focusing on reducing this bad user experience.

## Don't let top line metrics mask the detailed experience

Gaming companies that produce game apps like Candy Crush, FarmVille, and Angry Birds love to track Daily Active Users (DAU) and Monthly Active Users (MAU), and data collectors regularly put out rankings of top apps based on these metrics.

But DAU and MAU can easily mask more important metrics related to retention and growth. To ensure attention is paid to ongoing user engagement, producers of a mobile gaming app, much like Candy Crush, developed a quick cohort analysis and turned it into a custom metric that they could track for each level of the game.

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## Top 25 Facebook Games by MAU

| Rank | Game | MAU |
|---|---|---|
| 1 | Candy Crush Saga | 43,469,305 |
| 2 | Farmville 2 | 38,437,500 |
| 3 | Texas Hold'em Poker | 30,218,750 |
| 4 | Pet Rescue Saga4 | 24,717,139 |
| 5 | Dragon City | 23,343,750 |
| 6 | Diamond Crush | 22,731,250 |
| 7 | Bubble Witch Saga | 18,818,750 |
| 8 | Coasterville | 17,562,500 |
| 9 | Bubble Safari | 16,343,750 |
| 10 | Criminal Case | 15,862,500 |
| 11 | Words With Friends | 14,262,500 |
| 12 | Chefville | 12,762,500 |
| 13 | Pool Live Tour | 12,050,000 |
| 14 | Farm Heroes Saga | 12,050,000 |
| 15 | 8 Ball Pool | 11,837,500 |
| 16 | Top Eleven | 10,934,750 |
| 17 | Farmville | 10,725,000 |
| 18 | Village Life | 10,087,500 |
| 19 | Angry Birds Friends | 9,781,250 |
| 20 | Zynga Slingo | 9,712,500 |
| 21 | Bejeweled Blitz | 9,350,000 |
| 22 | SongPop | 8,950,000 |
| 23 | Bubble Safari Ocean | 8,593,750 |
| 24 | Tetris Battle | 8,287,500 |
| 25 | Bubble Island | 8,156,250 |

This level-completion custom metric tells them how many users who start a given level complete that level. In the example below, they saw that early, less-engaged users were struggling to get past Level 1, but loyalty quickly jumped and increased steadily over time, with some mild variance. More importantly, though, they also noticed that there were three levels that seemed to be driving users away.
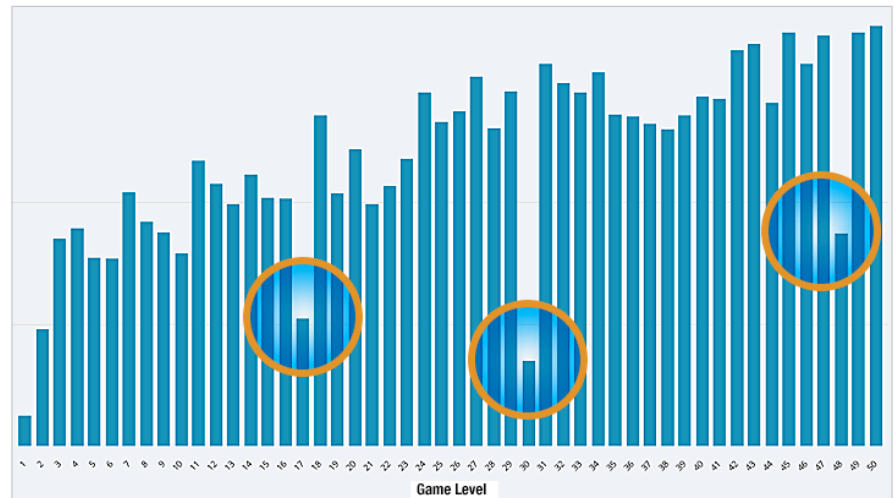


Fortunately, it's easy for a mobile gaming company to quickly iterate and update their app. By completely retuning these three levels, the team was able to eliminate the roadblocks that users were experiencing—and even to encourage churned players to return.

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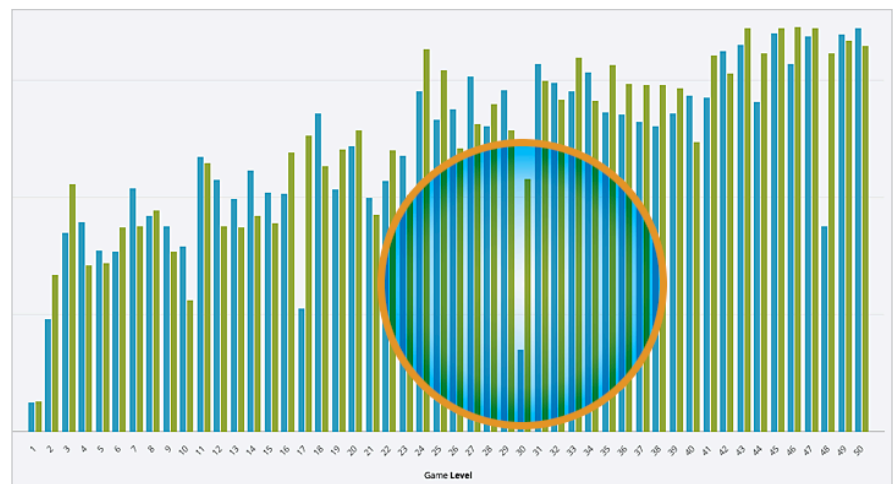
## Custom metrics show the devil in the details

Everyone loves dashboards. And many tech companies find it motivating to have screens on the walls of the office that show how the company is growing. But all too often, these at-a-glance metrics are too simplistic to give a true view of how a product or a business is performing. By adding custom analytics to your metrics mix, whether it's quantifying a bad experience or tracking retention at a more granular level, you can truly illuminate your business challenges—and gain the information you need to address them.

As you evaluate your current analytics solution or begin to look for a new analytics tool, make sure you have the flexibility to create reusable custom metrics so you can employ these tactics. Your analytics solution should absolutely be tailored to the unique aspects of your business so that you can track and measure the specific custom information that is critical to your company's success.

## Ready to Love Your Analytics?

Come see a demo and schedule your free trial. Call 888-960-2331 or go to:

looker.com/demo

### About Looker

Looker is an inventive software company that's pioneering the next generation of business intelligence (BI). We believe in bringing better insights and data-driven decision-making to businesses of all sizes. The company has fast become the catalyst that is creating data-driven cultures at hundreds of industry-leading companies such as Yahoo!, Gilt, Warby Parker and Sony.

Looker is based in Santa Cruz, CA
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