



1. Measuring Success: A Structured Framework

Framework for evaluating product success

Understand why and how to improve products

Supports data-driven decision-making and continuous evolution



2. Purpose of Measuring Success

1

Assess Impact

Evaluate if recent changes
delivered value

2

Guide Future Enhancements

Identify opportunities and set
data-driven targets

3

Continuous Improvement

Build foundation for ongoing
product enhancement



3. Tackling "Measuring Success" Problems



Deep Product Understanding

How product creates value



Prioritization of Impactful Metrics

Select metrics aligning with value proposition



Structured, Data-Driven Analysis

Link metrics to business strategy logically



4. Key Areas to Address in Measuring Success

Strategic Thinking

Align product purpose with company goals

Top-Level Success Metrics

Define measurable indicators of success

Prioritization of Sub-Metrics

Break down key metrics into drivers

Guardrail Metrics

Monitor trade-offs to prevent harm

Depth of Analysis

Analyzing data deeply to understand why metrics change.

5. Step 1 – Ensuring You’re Measuring the Right Thing

1

Define Product/Feature

Identify what's being evaluated

2

Target Users & Value Proposition

Understand who benefits and how

3

Company Goals & Lifecycle Stage

Align with overall business objectives



6. Step 2 – Understand Product, Users, & Value Proposition

Product Description

Define core functionality, features, and key differentiators. Document technical capabilities and limitations. Map out critical user workflows and interaction points.

User Segments

Identify distinct user groups and their unique needs. Analyze usage patterns, pain points, and desired outcomes for each segment. Understand user maturity levels and adoption barriers.

Business Impact

Quantify revenue potential and cost implications. Align with strategic company objectives. Determine key success factors and potential risks to mitigate.

A deep understanding of these three elements enables you to select metrics that truly reflect product success and user value creation. Take time to thoroughly research and document each aspect before moving forward.

7. Step 3 – Define the North Star Metric (NSM)

The North Star Metric is your product's most important measurement of success, aligning all teams around a shared goal.

Choose Overarching Metric

Select a single metric that best captures your product's core value and represents meaningful customer engagement



Align Cross-Functionally

Unite product, marketing, and other teams around a shared definition of success

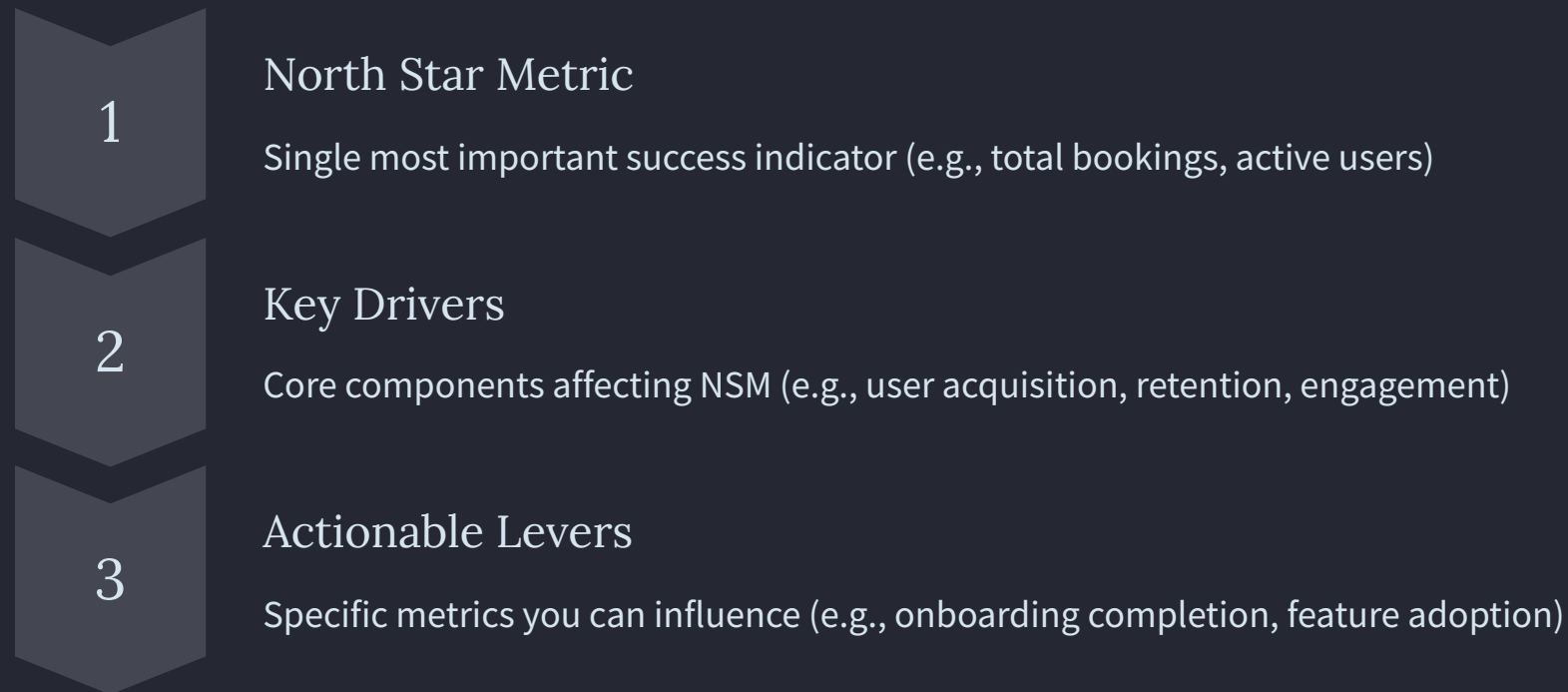
Leading Examples

Airbnb: Nights Booked, Uber: Completed Rides, Spotify: Time Spent Listening

Your North Star Metric should be a leading indicator of long-term success, driving strategic decisions across the organization.

8. Step 4 – Break Down the North Star Metric


Breaking down your North Star Metric (NSM) helps identify the key factors that drive overall product success. Whether your NSM is total nights booked, items sold, or streaming minutes per user, understanding its components is crucial for optimization.



Each level represents increasingly granular and actionable metrics. While your North Star Metric shows overall success, the actionable levers at the bottom provide specific areas where your team can make improvements and drive positive change.

9. Step 5 – Map User Journey & Establish Baselines





10. Step 6 – Identifying Key Insights & Hypothesis Formation

Review Available Data

Start by examining your existing metrics and data points to identify clear patterns and trends

1

Extract Key Insights

Look for meaningful patterns and correlations that could inform your strategy

2

Determine Need for Hypothesis

Assess whether the insights are clear enough to act on or if further hypothesis testing is needed

3

Formulate if Necessary

When needed, develop a clear, testable hypothesis to guide your investigation and decision-making

4

11. Choosing the Right Approach to Measuring Success

Different business contexts require different measurement approaches to effectively evaluate success.

1 A/B Testing

Comparing two versions to determine which performs better through randomized experiments

2 Difference-in-Differences (DiD)

Analyzing the differential effect of a treatment by comparing changes between groups over time

3 Time Series Analysis

Studying patterns in data collected at regular time intervals to identify trends

4 Cohort Analysis

Tracking groups of users who share common characteristics or experiences over time

5 Regression Analysis

Examining relationships between variables to identify causation and correlation

6 Funnel Analysis

Tracking user progression through defined stages to identify conversion bottlenecks

7 Qualitative Analysis

Gathering and analyzing non-numerical data through interviews, surveys, and user feedback

Each method has its strengths and is suited to different scenarios. Choosing the right approach depends on your specific goals and context.

12. Summary

1

Define what success means for your product

Start by ensuring you're measuring the right things that truly matter for your product's success.

2

Understand your product fundamentals

Get clarity on your product, users, and value proposition before diving into metrics.

3

Establish your North Star Metric

Identify and break down the key metric that best represents your product's success.

4

Map the journey and set baselines

Track user progression and establish baseline metrics for meaningful comparison.

5

Generate insights and hypotheses

Analyze data patterns and form testable hypotheses to guide improvements.

6

Choose appropriate measurement methods

Select the right analytical approaches based on your specific context and goals.



Quiz time



Test Your Knowledge

Challenge yourself with questions from previous sections



Learn Together

Compare answers with your colleagues



Check Understanding

Review your answers and track progress