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The only metric that matters

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3-4 minutes

I've been lucky to be part of the early growth of several really interesting and now important networks including LinkedIn, Facebook, and Twitter. One of the things that I felt working on each of these is that we never looked at numbers or metrics in the abstract -- total page views, logged in accounts, etc, but we always talked about users. More specifically, what they were doing and why they were doing it. At LinkedIn we didn't talk about "total page views", but instead "profile views" - how many people were using LinkedIn to search for and find other people, and how many people were on LinkedIn being viewed. At Twitter while we had (and they still have) crazy page view numbers, we talked instead about how many people were looking at their timeline and reading tweets or tweeting.

When I meet new companies today, I often hear things like "We have 10M uniques with 30M page views per month." Or "We have a 25% DAU/MAU with a 2-cent ARPDAU". All of these sound pretty interesting in the abstract. But when you really dig in you start to find out nearly all of the 10M uniques all come in from search engines, click on 2-3 pages, and never come back. Or that the 25% DAU/MAU is because the app is spammy and drawing new users in very quickly but hardly any come back for a second session and no one ever pays.

While big numbers are a nice signal of, well, big numbers, I don't think they are an indicator at all for whether a product is really working. Whenever I hear some of these stats, I always ask the same question:

How many people are really using your product?

You need a metric that specifically answers this. It can be "x people did 3 searches in the past week". Or "y people visited my site 9 times in the past month". Or "z people made at least one purchase in the last 90 days." But whatever it is, it should be a signal that they are using their product in the way you expected and that they use it enough so that you believe they will come back to use it more and more.

Once you can define a metric to answer this, then you can really track your growth on a day-to-day, week-over-week, month-over-month basis. And from there, you can identify the key supporting metrics that show you how likely it is more people will convert to using your product on a frequent basis, how likely they are to stay on your product vs churn out, etc.

At Twitter, we found that if you visited Twitter at least 7 times in a month, then it was likely you were going to be visiting Twitter in the next month, and the next month, and the next month. And we decided this was enough initially to be "really using it", though of course I think Twitter gets even better when people use Twitter every day or more.

More about the next most important metric -- what data shows you that more people will be using your product in the future, and how to use this focus to then refine your roadmap to get more people converted to using the product in another post.