Using Product/Market Fit to Drive Sustainable Growth

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6-8 minutes

Recently Rahul Vohra, CEO of Superhuman, wrote a great post for First Round Review about how his team used a survey that I created to help them find product/market fit. For several years the survey was freely available at Survey.io, but a few weeks ago people started reaching out to me to ask why it was taken down. I no longer own the domain because it was included when we sold our customer insights business, Qualaroo, to a private equity firm. Fortunately, I have worked with my friends at GoPractice to recreate the survey at PMFSurvey.com.

More importantly, this post also provides additional information about...

- How to run the product/market fit survey
- How to analyze the results to help you validate product/market fit
- How you can leverage the survey data to find product/market fit
- How to leverage product/market fit to accelerate sustainable growth

Before answering these questions, it's important to revisit why it's important to understand if you have product/market fit. Scaling growth before having product/market fit is the fastest way to kill your startup. But it may be an even bigger tragedy to have product/market fit and miss the opportunity to successfully scale growth. So when you are not sure if you have product/market fit, the decision of whether to start scaling or not can be gut-wrenching.

Navigating this important decision around product/market fit is the reason why I created the product/market fit survey 10 years ago. Without the survey, I would either have to rely on gut feeling or wait for retention cohorts to mature to see if we had sufficient customer retention to support sustainable growth. This could delay aggressive growth acceleration execution for several months.

The product/market fit survey acts as a leading indicator to help you understand if early customers consider your product a must-have.

How to Run the Product/Market Fit Survey

Our goal for the survey is to get feedback from people who have recently experienced "real usage" of the product. So for this, you are going to want to define what "real usage" of your product looks like. For example, if you were Uber and wanted to get feedback from people who have tried the service, it wouldn't be enough to focus on people who just downloaded or signed up for the app. You would want to survey people who had actually taken a ride (or driven a passenger if they are a driver). The key question in the survey for these people is:

"How would you feel if you could no longer use [ProductName]?"

- a) Very disappointed
- b) Somewhat disappointed
- c) Not disappointed
- d) N/A I no longer use [ProductName]

If they never used the product or haven't used it in several months, you already know the answer is c or d. So ideally you'll want to limit your sample size to people who have used the product in the last couple of weeks.

How to Analyze the Survey Results to Validate Product/Market Fit

To get an indication of product/market fit, you'll want to know the percentage of people who would be "very disappointed" if they could no longer use your product. In my experience, it becomes possible to sustainably grow a product when it reaches around 40% of users who try it that would be "very disappointed" if they could no longer use it.

For this percentage to be meaningful, we want to have a fairly large sample size. In my experience, a minimum of 30 responses is needed before the survey becomes directionally useful. At 100+ responses I am much more confident in the results.

How to Leverage the Survey Data to Find Product/Market Fit

For an early stage business, it can be difficult to get 100 or even 30 responses to a survey. But I've found the survey can still be insightful with only a few responses if at least some of them would be "very disappointed" if they could no longer use your product. You want to learn everything you can about the people who consider your product a "must have."

Most of the other questions on the survey are intended to help you understand why they consider it a must-have, they type of people they think will benefit most from your product, the key benefit they receive from the product, etc. With this information, you can hone your product targeting, positioning, onboarding, and even the long term product roadmap. And it doesn't have to take a long time to see an impact. For example, I helped launch one business where we initially only had 7% of users saying they would be very disappointed without our solution. But based on their input we improved targeting, positioning and onboarding and were able to boost the "must have" users to 40% within only a couple of weeks.

Rahul's article mentioned above explains how Superhuman combined this data with other initiatives to drive strong product/market fit, so if you are struggling to get there, I highly recommend reading it.

How to Leverage Product/Market Fit to Accelerate Sustainable Growth

Product/market fit is not just the prerequisite for growth, it is the fuel that powers all sustainable growth efforts. Achieving product/market fit is so difficult, that once you have achieved it, it becomes your company's most important asset.

So how do you leverage product/market fit to grow? It starts with truly understanding your product/market fit. What is the user experience that makes people consider it a "must have?" What is the key benefit that they get from that experience? Why is that benefit important to them? You should use this information to shape the path for all future prospects with the goal of delivering this experience and benefit before they give up.

The mistake that many marketers make is that they are optimizing for short term conversions. They think it's all about maximizing clicks and signups. But if the product isn't truly great a delivering on the promise, then you will likely lose these people anyway. It is better to convert fewer people with a promise the reflects why the product is truly a "must have." These people will not only stick around, but they will also become the customer advocates that boost your organic growth rates.

High tempo testing will be critical to optimizing an authentic promise and an efficient path to deliver the "must have" experience described in the promise. But this type of execution is much easier than getting to product/market fit in the first place. So when you have it, make it count.

Feel free to post any questions about running or analyzing the survey in the comments, and I will try to get you a quick reply.