Sarah - thanks for another super intriguing thought piece that helps us think about where to focus…

John Gardner

3-3 minutes

Sarah - thanks for another super intriguing thought piece that helps us think about where to focus limited resources.

I run a 2-sided personal training service called Kickoff - we have used both the Product-Market Fit and NPS approaches extensively. I think they each have their pros and cons and I think you are right that uncovering drivers of retention (the identifiers of Happy GMV) is the key at the end of the day. I think that good survey design can help point you in the right direction on the drivers of retention as well, when triangulated with the user research and first principles thinking you mentioned.

I have found that PMF and NPS generally tell roughly the same story and that the pros and cons even out for us: Product-Market Fit's key question of how you'd feel if you LOST access to the service seems a bit more focused on how much value is truly derived vs. NPS's referral focused question. But NPS also helps us see which individuals or segments are more likely to refer friends to our service, which is also really important to us. And the fact that so many people use NPS provides more (admittedly imperfect) external benchmarks to compare oneself against. So I could go either way on it. We've stuck with NPS and it has worked well for us, at least in terms of retention and growth performance.

I think NPS has one other HUGE flaw that it shares with the PMF survey: Your least satisfied users are less likely to complete it! I think this is a huge issue among startups and big business alike. Great, you have an NPS of 90 but who didn't fill out the survey? This is partially why I think external NPS benchmarks are imperfect comparison points!

We address this by using NPS AND tracking what % of our user base is rating us. We also add in easier, lower investment ways to gauge customer sentiment (thumbs up and down) that less engaged users are more likely to click. When you pull NPS, NPS penetration and Thumbs up % together you get a better picture of where the user base stands. And the most useful piece by far for us is the qualitative answer to "Why did you provide that rating?"

We have found that a lot of times those who weren't filling out the surveys are NOT lost causes but rather customers that we fundamentally let down in some way - and we can fix their issues, if not for them then for future customers like them.