Playbook Methods Repository

# **Analytics Implementation**

Evaluate, select, and implement the right product metrics tools to capture and track data on product activity and user behaviour.

### Remote Agility: **•** High

### Linked Tactic(s): Solution Architecture, Release Planning, Go to Market Planning

## Why we do it:

Successful products provide measurable value for their users - value that is realised via three major channels: engagement, transactions or increased productivity. Implementing Product Analytics helps practitioners understand how customers engage with digital products. Understanding the nature of this value is key for product-led organisations. An optimal implementation provides key insights around how your product is used, and validates overall product market fitness.

Overall questions can include: Who is using your product and how are they using it? What is the overall engagement? What is the overall activation rate? Where is churn occurring? And what is the scale of this churn? Is there cognitive overhead in terms of the adoption and usage of features that drive core product value?

Usually these questions need to be answered with a combination of the quantitative data provided by analytics along with the qualitative insights via user research. A mix of both methods can help detect patterns and validate assumptions on the “what, when, where, how, and why” of product usage. Analytics are NOT a systemic replacement for qualitative research methods.

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## When to apply it:

* Release Management: Analytics Implementation is a key input into Release Management to get an understanding of the baseline metrics that need to be in scope ahead of a solution to market
* Go to Market Planning: Analytics Implementation is critical to this planning stage in order to get alignment on what are the key actionable metrics and funnels you will be tracking post-release and measuring growth against.

## Best Practices & Considerations:

* Start with a planning stage: Use this stage to define your goals, scope, success metrics, and deliverables clearly. This is where you can leverage your customer requirements to the fullest extent to really think deeply about which analytic capabilities will deliver the most value.
* Prioritise onboarding: This is your primary funnel and should be the first funnel you set up (a funnel is a list of sequential steps that map out user journey for conversion). No matter how great the experience is, not understanding the activation and retention metrics of your onboarding is a critical mistake. It is at this stage where you track retention, churn and activation in order to take actions (A/B testing and user interviews) against improving both
* Understand industry benchmarks to inform your targets and outcomes; it's important to understand what typical activation and retention rates are for your vertical, stack (web, mobile) or acquisition type (free, premium, ad-supported) so you can set a baseline of expectations for improvements
* Avoid vanity metrics; vanity metrics are metrics that make the product look good but don’t help with understanding how they can inform future actions or strategies; often you will tag your application with vanity metrics to get a baseline understanding of traffic but you need to focus on actionable metrics, measurements where you can take actions to incrementally improve the behaviour you want to see (DAU/MAU rate, retention, activation, ARPU etc); many social media metrics are vanity metrics because they can be either inflated through paid promotion or random virality.

## Responsible roles:

* Product Manager, Software Engineer

## Tools:

* Online tools/platforms/services
  + Google Analytics, Segment.io, Heap, Localytics, Mixpanel, Amplitude

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## Thoughtworks Examples - Linked

* Client working docs, airtable, miro/mural boards
  + xx
* Client polished presentations/deliverables
  + xx
* Internal assets - clinic materials / guild docs
  + [Connected Clinic: Operationalizing Metrics for Retail Demo - Henry](https://docs.google.com/presentation/d/1zCLNEh84Obm6FPhGQUOu4NJQ5D8RAtvkTh7_PTzkjD4/edit#slide=id.g17a80c37147_4_134)
    - [Clinic Recording](https://drive.google.com/file/d/1fBY7mcOunAzGUNJmitMi_naS_M8EroZy/view?usp=share_link)

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## Learn more: How we do this?

* Templates (docs, decks, sheets, miro, etc.)
  + xx
* How-To Resources (external or internal)
  + xx
* Outside References (articles, books, etc.)
  + <https://www.adjust.com/blog/mobile-app-analytics-best-practices-for-optimal-results/>
  + <https://www.klipfolio.com/metrics/all-metrics>
  + <https://cxl.com/blog/funnels-google-analytics/>
  + <https://www.tableau.com/learn/articles/vanity-metrics>
  + <https://mixpanel.com/content/guide-to-product-analytics/chapter_1/>

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