

# Hierarchy of Engagement, Expanded



Sarah Tavel

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Almost a year ago, I published a framework I called The Hierarchy of Engagement, that synthesized my thinking on how to build a product that endures.

Since then, I've had countless conversations with founders about the hierarchy and how it impacts their product roadmaps. And over the past year, each time I presented it, I found myself tweaking, clarifying, adding layers.

The presentation is still mostly the same, but there are enough differences I figured it was worth publishing the expanded version, pasted below. As always, please let me know if you have any feedback or questions.

## The Hierarchy of Engagement



Sarah Tavel  
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## The Big Question



How do you maximize your chances of building an **enduring, \$1B+ company?**

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## About Me

**2011** Co-led Series A in **Pinterest** **when it was 5 employees**

Led **product for Discovery team** at Pinterest

**2012**

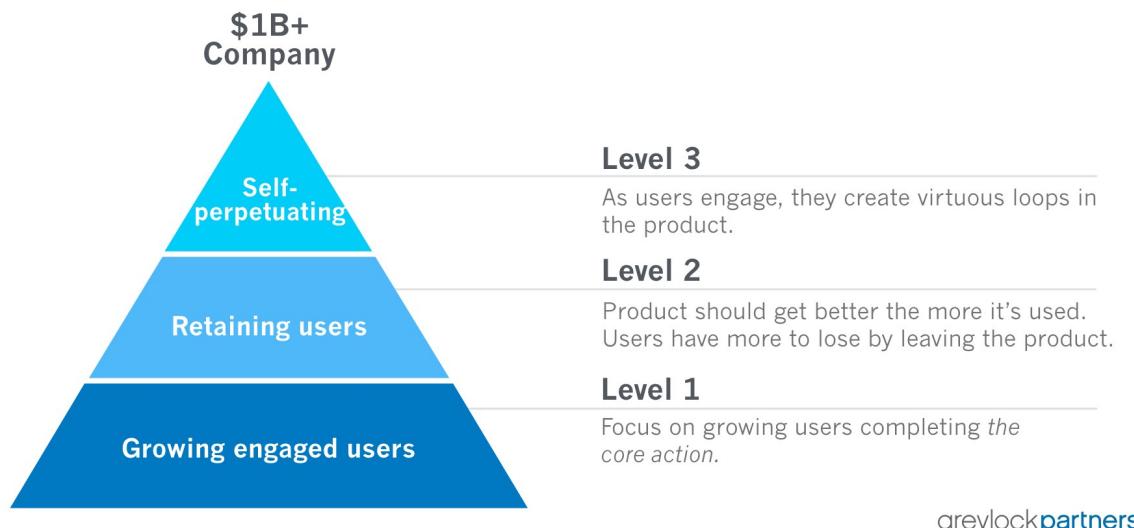
Joined as one of Pinterest's first PMs

Joined **Greylock** **2015**  
investment team. Pinterest reaches **100M+ MAU.**

At the core, it comes down to understanding how to maximize **engagement**.

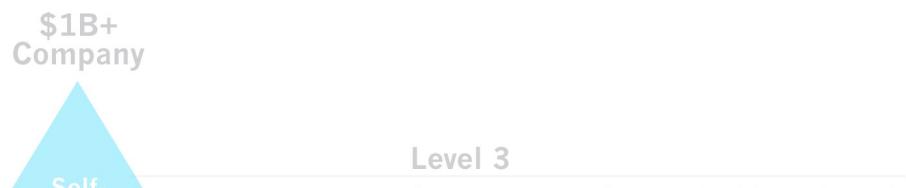
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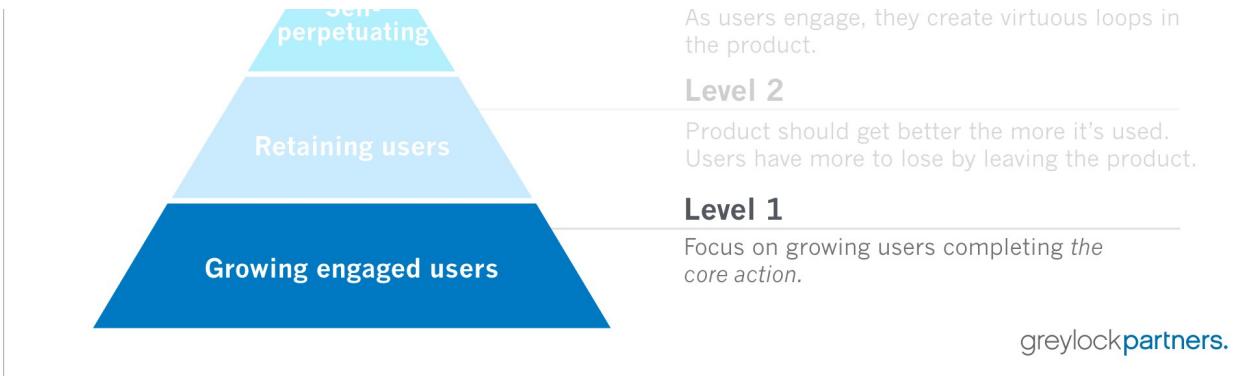
## Tavel's Hierarchy of Engagement



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## Level 1: Growing Engaged Users





What matters is not *growth of users*.  
**It's growth of users completing the core action.**

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**The core action is the action that forms the foundation of your product.**

**facebook**



*Friending*

**Pinterest**



*Pinning*



**snapchat**



*Snapping*

**YouTube**



*Subscribing*

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## Most often, the core action is the action most correlated with retention.



Realized if they got a user to **connect to 7 friends in ten days**, they'd be retained for life.



If **someone pinned something**, we could almost guarantee they'd come back next week.

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## But it's not the only action your users do.

Other features support the core action (ladder of engagement), but **ultimate goal is getting people to perform the core action.**



Photos and status updates create reason to maintain friend graph.



No point subscribing if no uploaded videos or ability to view.

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Growing users without growing users completing the core action is the empty calories of growth. **It feels good, but it's not good for you.**

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Make sure you're focused on **the right core action.**

Ask yourself: What **features** would we build if we optimized for people completing the action? Is that the **right roadmap?**

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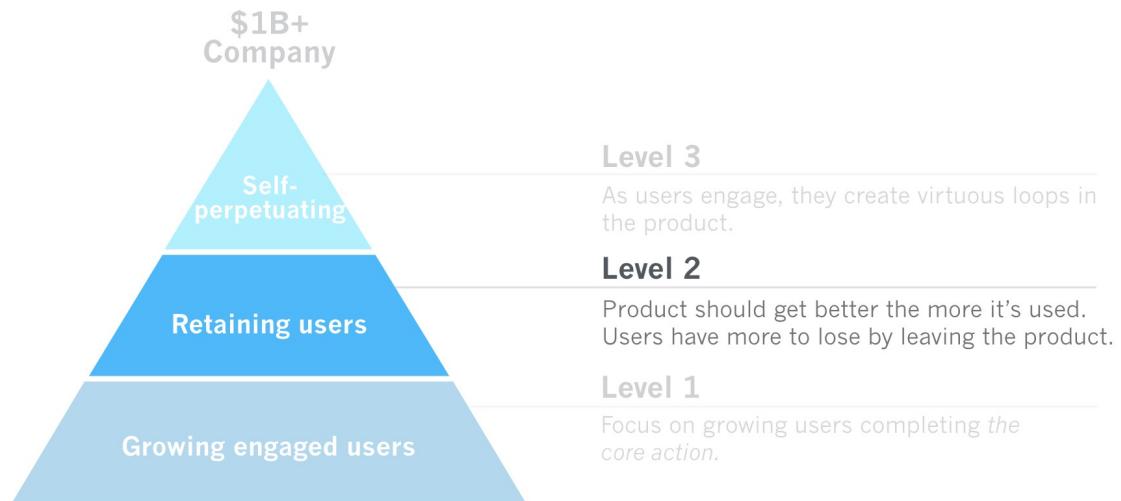
**And then: will the core action scale to enough users?**





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## Level 2: Retaining users



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**So, we've got engaged users.**

That's great. Now the question is how to get those users *to stick*.

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## How do you build your product to retain users?

Create **accruing benefits** and **mounting losses** as a user engages.

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### Accruing Benefits

As a consumer adds data to the product, either explicitly or implicitly, the company **uses this data to improve the experience** for the user.

**“The more I use the product, the better it gets.”**

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### Mounting Loss

The longer you stay with the product, the more it **locks you in**.

becomes a product you depend on, part of your identity, or a place where you've accrued value of some sort.

**“The more I use the product, the more I’d have to lose if I left the product.”**

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- Core action is creating a note.
- The more notes you add to Evernote, the more value you get and the harder it is to leave.
- The core action creates accruing benefits and mounting loss.



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- The more you pin, the more you have to lose - your bookmarks, expression and extension of your identity (mounting loss).
- Initially, used following to create accruing benefits, but later built features that converted core action into accruing benefits - e.g, “Picked for you” feature: The more you pin,



the more personalized your home feed gets.

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## On the other hand..

- A lot of **anonymity apps** look good for Level 1 but *fail* for Level 2.
- **Twitter** has anonymity if you create a profile under a fake name. But because **identity is persistent**, the app has:



**Yik Yak**

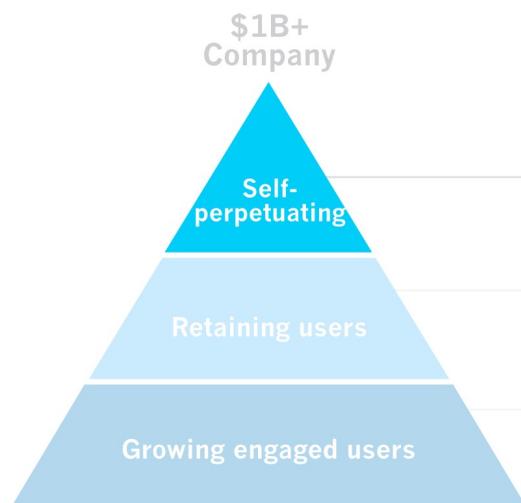
**twitter**

**Accruing benefit:** *new follows/followers*

**Mounting loss:** *your investment in your identity such as your follow graph*

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## Level 3: Self-perpetuating



### Level 3

As users engage, they create virtuous loops in the product.

### Level 2

Product should get better the more it's used. Users have more to lose by leaving the product.

### Level 1

Focus on growing users completing the core action.

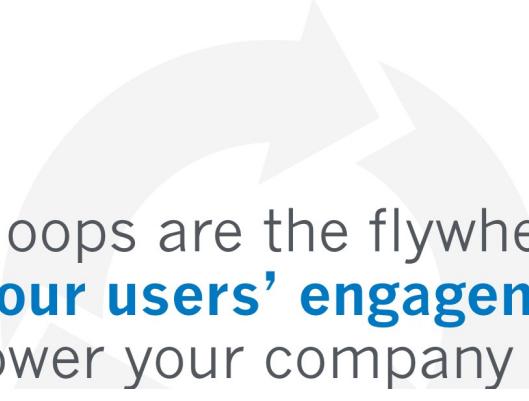
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Okay, so we now have a growing base of **engaged users**, and a **sticky product**.

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Now the question is whether your existing users create **virtuous loops** in the product as they engage with it.

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Virtuous loops are the flywheels that **convert your users' engagement into fuel** to power your company forward.

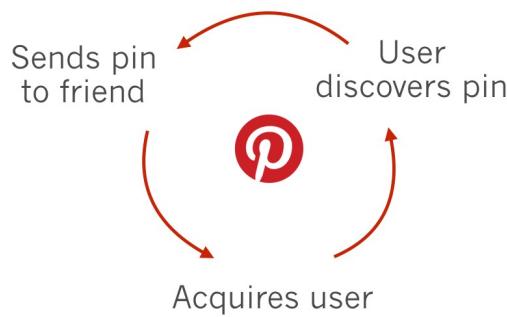
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## The strongest virtuous loop is a network effect.



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## But there are many other virtuous loops. For example:



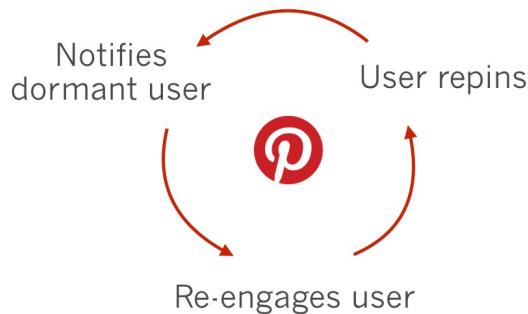
Growth



Re-engagement

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## You should maximize each naturally occurring virtuous loop.



### Example:

Growth efforts boosted dormant users in search in order to **re-engage** them with the repin notification.

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**Virtuous loops** are really hard to create — most products don't have them (though many try).

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- As strong as Evernote is on **Level 1** and **Level 2**, it falls



**Level 1 and Level 2, it's time  
short on Level 3.**

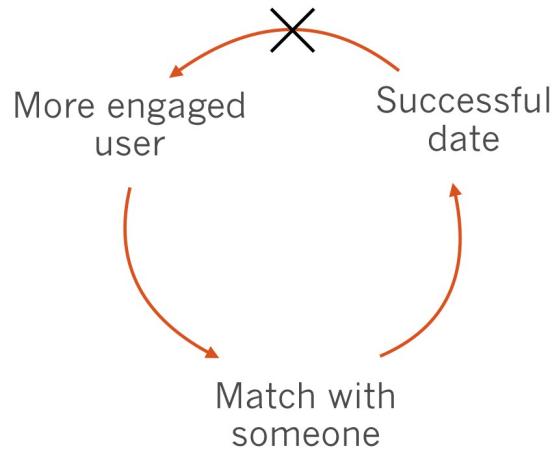
- Evernote's product is much more about **user value** than creating virtuous loops.



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- **Tinder** has some virtuous loops. E.g, a match sends a notification to a user, which re-engages them.
- But the most important one — a successful date, is an **off-ramp, not** an engagement accelerator.



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Virtuous loops **propel a company forward.**

Look for opportunities and **maximize them.**

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# The Most Important Thing To Measure

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We've talked about **three** things:

1. Growing Engaged Users
2. Retaining Users
3. Virtuous Loops

Over time, **investors** want to see:

- *Growth, New users continuing to be engaged*
- *Retention*
- *Organic growth and retention*

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## The Ultimate Metric: Cohort performance

The clearest way to understand a company's engagement is to look at **cohorts**.

**Number** of weekly users completing the core action.

**Percentage** of weekly active users completing the action.

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## Cohorts show:

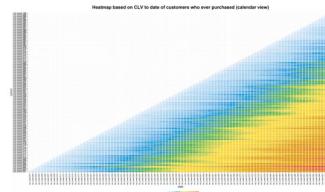
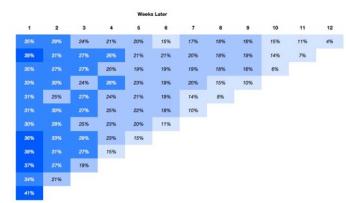
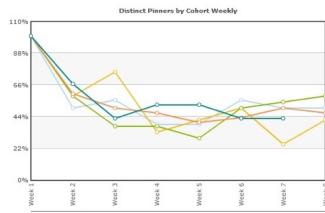
**Growth** → Size of each cohort

**Engagement** → Ratio of users performing the core action

**Retention** → Cohort performance over time

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## There are different ways to visualize cohorts:



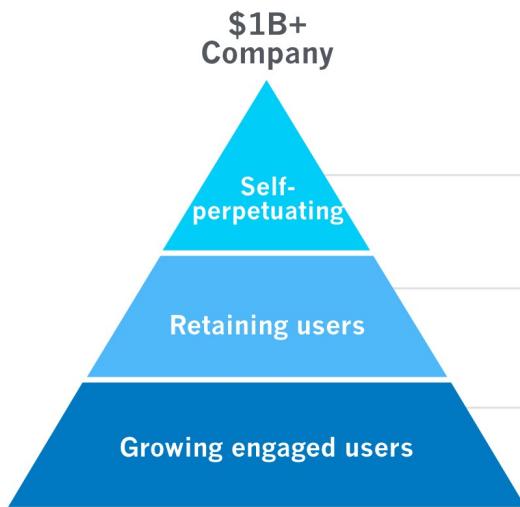
Line graphs

Charts

Triangle Heat  
Maps

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## Tavel's Hierarchy of Engagement



### Level 3

As users engage, they create virtuous loops in the product.

### Level 2

Product should get better the more it's used. Users have more to lose by leaving the product.

### Level 1

Focus on growing users completing *the core action*.

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**Engagement is the fuel** powering most of the enduring, \$1B+ non-transactional consumer companies.

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# Thank you.

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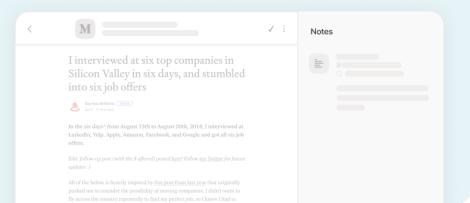
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