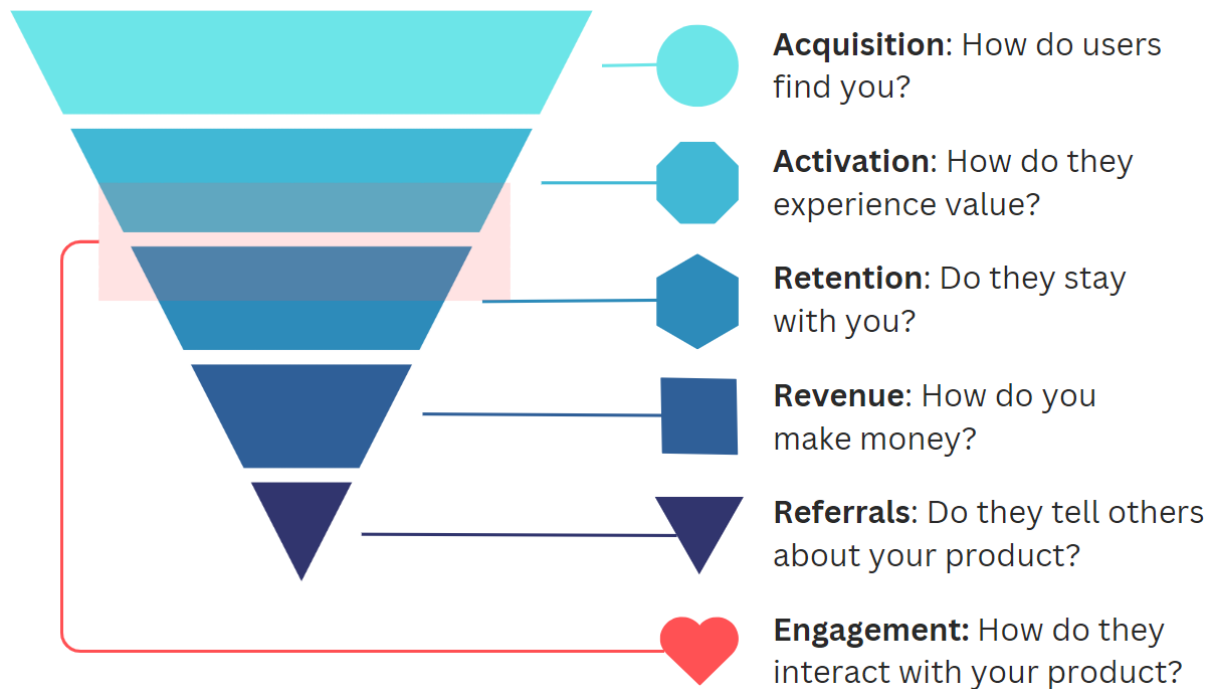




# The Ultimate List of Product Metrics

Classification based on the AARRR framework with Engagement as a separate category:



## 1. Acquisition Metrics

### Bounce Rate

The percentage of visitors who leave your website after viewing just one page. A high bounce rate may indicate issues with the landing page (e.g., messaging) or targeting.

### Conversion Rate

The percentage of users who take a desired action, like signing up for a newsletter.

### Landing Page Conversion Rate

The percentage of visitors who take a desired action on a specific landing page, like signing up or starting a trial, on a specific landing page.

### Customer Acquisition Cost (CAC)

The cost of acquiring a new customer through marketing and sales efforts.

### Channel Effectiveness

The success of each acquisition channel in driving traffic, sign-ups, or purchases.

### Traffic Source Distribution

The breakdown of incoming user traffic by different sources, such as organic search, referrals, or paid ads.

## 2. Activation Metrics

### Time to Value (TTV)

The time it takes for a user to experience the core benefits of your product after starting to use it.

A shorter TTV leads to higher user satisfaction, engagement, and retention. In product-led growth, optimizing TTV is crucial to ensure users quickly understand the value your product delivers.



# The Ultimate List of Product Metrics

## Onboarding Completion Rate

The percentage of users who complete the onboarding process successfully.

## User Activation Rate

The percentage of users who successfully complete a certain milestone in your onboarding process.

## Trial-to-Paid Conversion Rate

The percentage of trial users who convert into paying customers.

## First-time User Conversion Rate

The percentage of first-time users who complete a desired action, such as creating an account or purchasing. This metric helps assess the effectiveness of the onboarding process.

## Product Qualified Accounts (PQA)

“In product-led sales, the product determines Product Qualified Accounts (PQA) to indicate when an account is prepared for sales engagement and potential conversion.” – [Elena Verna](#)

## Product Qualified Leads (PQL)

“PQLs, or Product Qualified Leads, are the people within the existing self-serve user base with buying power.” – [Elena Verna](#)

## 3. Retention Metrics

### Churn Rate

The percentage of users who stop using the product within a specific time period, e.g., monthly.

### User Retention Rate

The percentage of users who continue using the product after a specific time period. Often monthly.

## User Renewal Rate

The percentage of users who renew their subscription or continue using the product after their initial contract period.

## Customer Lifetime

The average time it takes for a user to stop using the product.

$$Customer\ Lifetime = \frac{1}{Churn\ Rate}$$

## Customer Health Score

A composite metric that combines multiple indicators, such as usage, satisfaction, and support interactions, to provide an overall assessment of the customer's relationship with the product.

## Product Adoption Rate

The percentage of users who adopt new features or functionality within a certain time frame after release.

## 4. Revenue Metrics

### Average Revenue Per Account (ARPA)

The average revenue generated per account (customer) within a specific time frame. For example, monthly.

### Customer Lifetime Value (CLV/LTV)

The total revenue a user generates during their entire relationship with the product.

$$CLV = Customer\ Lifetime * ARPA$$



# The Ultimate List of Product Metrics

## Customer Profitability

The difference between the lifetime value of a customer (LTV) and the cost of acquiring them (CAC).

## Monthly Recurring Revenue (MRR)

The predictable revenue generated by a subscription-based product every month.

## Expansion Revenue

Additional revenue generated from existing customers through upsells, cross-sells, or add-on purchases.

## Net Revenue Churn

The revenue lost due to customer cancellations, downgrades, or non-renewals within a specific time period, typically a month/year.

## Net Revenue Retention

The cumulative sum of retained, contracted, and expanded revenue over a specific period, typically a month/year.

## Average Contract Value (ACV)

The average revenue generated from each customer contract, which can help assess the effectiveness of pricing and packaging strategies.

## 5. Referral Metrics

### Virality Coefficient

The number of new users acquired through referrals by existing users. Often expressed as a ratio (<1, 1, >1).

### Customer Referral Rate

The percentage of customers who refer others to the product.

### Referral Conversion Rate

The percentage of referrals that convert into active users.

### Net Promoter Score (NPS)

A measure of customer satisfaction and loyalty based on how likely users are to recommend the product to others.

$$NPS = \%Promoters - \%Detractors$$

Warning: NPS measures customer attitude and sentiment, not the actual behavior.

## 6. Engagement Metrics

### Daily Active Users (DAU)

The number of unique users who engage with the product daily.

### Monthly Active Users (MAU)

The number of unique users who engage with the product monthly.

### Stickiness

The ratio of daily active users (DAU) to monthly active users (MAU), which indicates how often users engage with the product.

$$Stickiness = \frac{DAU}{MAU}$$

### User Satisfaction (CSAT)

A measure of how satisfied users are with the product, often determined through surveys or in-app feedback (e.g., Pendo, Gainsight).



# The Ultimate List of Product Metrics

## ♥ Session Length

The duration of a user's interaction with the product during a single session.

## ♥ Session Frequency

The average number of sessions per user within a specific time frame.

## ♥ Feature Usage

The frequency and depth of usage for specific product features.

## ♥ Customer Effort Score (CES)

Measures the ease with which customers can interact with your product or service. It is often determined by asking users to rate the effort required to accomplish a task or resolve an issue on a scale from very low to very high effort.

A lower CES indicates a more user-friendly product, which can lead to higher user satisfaction and loyalty.

## ♥ Task Success Rate

The percentage of users who successfully complete a specific task or set of tasks within your product. This metric helps assess the usability and effectiveness of your product's features.

## ♥ User Feedback Score

A quantitative measure of user satisfaction gathered through surveys, ratings, or reviews.

There isn't a single standardized method or rating scale. This could be a numeric scale (e.g., 1 to 5 or 1 to 10), a star rating, or a qualitative scale (e.g., poor, average, excellent).

## 7. Bonus: Agile and Lean

Before we dive in, it's important to remember that Kanban aims to optimize the flow of value, not the flow of work.

So, for example, if you use User Stories and sub-tasks, focus on tracking the whole User Stories, not individual sub-tasks.

### ▲ Lead Time

Lead Time is a Kanban metric that measures the total time between an idea placed in a Product Backlog until the work in a specific process is completed.

For example, if Microsoft decides to use ChatGTP in Bing, Lead Time would be the time between deciding on a specific approach and when the feature is production-ready..

### ▲ Time to Market (TTM)

Time to Market (TTM) is a broader concept. I'd argue it's the most important metric for a PM, encompassing idea generation, experimentation, product delivery, and pre-launch activities that might be required before an idea is shipped.

For example, if Microsoft decides to incorporate ChatGPT into Bing, the TTM would be the period between having a draft idea and when customers can use a new capability.

### ▲ Cycle Time

Cycle Time is a Kanban metric that is a component of Lead Time. It measures the time it takes from when the implementation of an idea begins until it's done.

For example, if Microsoft decides to incorporate ChatGPT into Bing, the Cycle



# The Ultimate List of Product Metrics

Time would be the period between when developers start implementing a specific idea and when it becomes production-ready.

## ▲ Work In Progress (WIP)

WIP is a Kanban metric that represents the number of ideas that your team is currently working on.

The goal is to limit WIP to reduce context-switching and minimize the Cycle Time. This ultimately minimizes the TTM.

## ▲ Throughput

The rate at which ideas pass through your team's workflow over a given period.

It's essential to know Little's Law, which can be expressed as:

$$\text{Average Cycle Time} = \frac{\text{Avg. WIP}}{\text{Avg. Throughput}}$$

The key to maximizing throughput lies in identifying and managing bottlenecks - where work piles up because it arrives faster than it can be done.

Insight: working on too many ideas simultaneously will negatively affect the time to finish each. So limit your WIP.

## ▲ Time to Learn (TTL)

The Time to Learn indicates how long it takes to learn. It can be measured for both experiments and shipping product features.

For shipping features, the concept is even broader than Time to Market (TTM) and includes:

- Time to Market
- People start using your product
- You analyze the data and learn

Minimizing TTL reduces the risks and allows you to adapt quickly to changing market conditions.

Pause for a moment to consider it in the context of the Bias for Action, Amazon's leadership principle:

*"Speed matters in business. Many decisions and actions are reversible and do not need extensive study. We value calculated risk taking"*

## ▲ Work Item Age

The total elapsed time between when work on an idea started ("in progress") and the current time.

## ▲ Velocity

Refers to the amount of work, e.g., Story Points, completed by a team during an iteration, typically Sprint.

It's essential to remember that Velocity corresponds to the amount of work, not the value of work. It is an internal metric and should never be used outside the team.

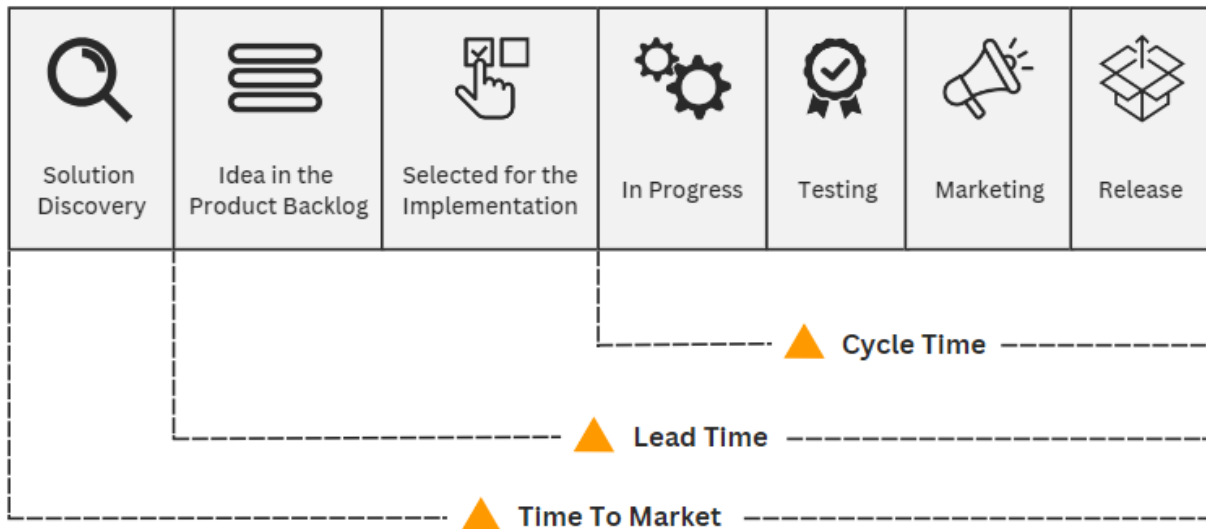
In particular, it should never be used to compare teams or set expectations.



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## Key Lean and Agile concepts visualized

An example of Cycle Time, Lead Time, and Time To Market:



## 8. Final Notes

This classification I presented is based primarily on the AARRR (Acquisition, Activation, Retention, Revenue, Referral) framework, which is universal and fits every organization that works on customer-facing tech products.

In AARRR, **Engagement Metrics** can be considered part of the Retention, and sometimes, depending on the context, Activation (e.g., Session Length). I presented them as a separate category to emphasize the distinct metrics focusing on user interaction with the product.

**Lean and Agile Metrics** are related to the effectiveness of delivering value. Many of them, like Time To Market (TTM), are essential to succeed by quickly adapting to the changing market conditions. I presented them as a separate category.

While those are the more common metrics, it's essential to remember that none list is final. You might also formulate your custom metrics depending on the context and your specific situation.

In any case, tracking everything is impossible. To succeed, focus on just **a few key metrics**.

How to do that? You can read more here (free):

- [Are You Tracking the Right Metrics?](#)
- [North Star Framework 101 \(PDF, 12 pages\)](#)