ONE PAGE SUMMARY

IT & Software › Product Design › Product Metrics

Introduction to Product Metrics

Mastering Product Metrics for Effective Design Decisions

DEFINITION

> Product metrics are measurable values that help assess the performance of a product. They guide decision-making and improve user experience.

KEY CONCEPTS

Key Performance Indicators (KPIs)

KPIs are specific metrics that indicate how well a product is achieving its goals.

User Engagement

This metric measures how actively users interact with a product, indicating its value.

Churn Rate

Churn rate represents the percentage of users who stop using a product over a specific period.

Net Promoter Score (NPS)

NPS gauges customer loyalty by asking how likely users are to recommend a product.

Conversion Rate

This metric shows the percentage of users who take a desired action, like making a purchase.

EXAMPLES

→ A software app tracks daily active users to measure engagement.

→ An e-commerce site calculates its conversion rate from visitors to buyers.

→ A subscription service monitors its churn rate to improve retention strategies.

MEMORY TIPS

★ Remember 'K' in KPIs stands for 'Key' to focus on what matters.

★ Think 'Churn' like a rollercoaster—users can go up or down!

★ NPS: 'N' for Net, 'P' for Promoter, think of fans promoting a concert.

COMMON MISTAKES

✗ Confusing metrics with goals instead of using them to measure progress.

✗ Neglecting to track metrics consistently over time.

✗ Focusing only on quantitative data and ignoring qualitative insights.

QUICK RECAP

Product metrics are essential for understanding how users interact with a product. Key metrics like KPIs, churn rate, and NPS help inform design decisions and improve user satisfaction.