Heap

- Build X
- Test Y
- Iterate on Z

Put Your Best Features Forward

How to Establish Baseline Metrics for Your Product

Introduction

Every product team knows that their product's core features are what helps it stand out. Yet knowing which features to build, improve, or ship (and when!) is often easier said than done. Without the right benchmarks in place, getting from here to there on the product roadmap can feel like a series of hazy decisions — but it doesn't have to be.

At Heap, we believe that data-informed decisions are at the heart of successful products. With the right data and metrics, product teams can measure the potential success (or weakness!) of new features. In fact, the more you learn about your product and all the ways that your customers use it, the more things you'll want to investigate.

For product teams interested in following a data-driven approach to product, it's crucial that you establish baseline metrics across your product.
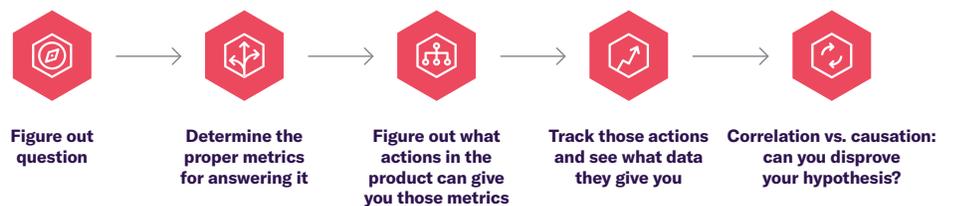
Doing this serves multiple goals:

— It gives you baseline measurements to use when measuring your experiments. It lets you connect your efforts to higher, business-level KPIs. By tracking metrics throughout your product, you'll be able to see how the changes you make improve the business.

   — For example: if CAC or LTV are the measurements that most matter to your business, your job is in part to figure out which product changes impact those the most.

— It helps you prioritize. Establishing baseline metrics is a great way to see which parts of your product are underperforming. It also lets you know what kinds of experiments are more likely to help the business.

A scientific approach to product

At Heap, we believe that improving your product is a goal best reached when teams can be both creative and rigorous. This means two things: on one hand, teams need the freedom to ask creative questions, and on the other, that creativity is best served when ideas are tested and verified through organized experimentation.

The basic steps here form a scientific approach for improving your product, and give you a way to organize your practice. The creativity comes from figuring out what questions you should be asking, and then figuring out how to answer them.

Figure out question → **Determine the proper metrics for answering it** → **Figure out what actions in the product can give you those metrics** → **Track those actions and see what data they give you** → **Correlation vs. causation: can you disprove your hypothesis?**

Why use quantitative data?

Product teams may wonder about the value of using quantitative data to answer these questions. After all, customer interviews are a powerful tool that product teams have long wielded to find out what users like and what gives them a headache.

One answer is that customers interviews are very useful, but looking at behavioral data can often get you answers much quicker, and can give you much more detail. Customers often say they're doing something in your product, but product analytics tell you what they're actually doing, such as:

— How much time do they spend on certain features?

— Where do users drop off in the user flow?

— How do different groups of people use a given feature?

Quantitative data can answer these questions immediately. As a result, we recommend blending quantitative and qualitative processes. For example, quantitative data can tell you what happens in your product, but can't always tell you why. This is where customer interviews can be enormously useful. ("I noticed that people with your title tend to use these features in this way. Why is that, do you think?")

In the other direction, customer interviews can help generate ideas that you can implement as hypotheses. ("Ten customers have said they wish there was X feature. Let's add an improvement, roll it out to half of our customers, and measure the results.")

Establishing and measuring your baseline metrics

Below we try to offer some base-level measurements you'll want to take in your product, and give you a brief idea of how you can measure these things in Heap.

As every product is different, these may not be the specific measurements that matter for you. Many of the terms here can be quite variable, depending on your business.

What counts as a "feature," for example, may depend on a number of factors: How big is your product? What part of the product is under your control? What level of granularity are you interested in right now?

The metrics you choose will ultimately depend on the type and stage of your product, your industry, and your company size. For some products, a "feature" will be a high-level activity. For others, it will be a small collection of low-level events. The difference is not so important; what is important is that you're measuring them!

How to measure in Heap

Note on "How to measure in Heap": For these questions alone, we give a brief suggestion of how to use Heap to gather the information you're looking for. These suggestions are not meant to be exhaustive. There are plenty of other ways you may want to analyze your data, and many further questions you may want to ask after getting these initial measurements.

Which features are being used most often?

Count of features

1. Define key events for the features you're interested in.
2. Analyze your events.
   — **What is the aggregate feature usage over time?** How to measure: `Count` of events from step #1 (series per event/feature)
   — **For users of a given feature, how often do they return to use it?** How to measure: `Retention: Usage Interval`

— **What portion of monthly active users have done event X?** How to measure: `Ratio of`
   — "Number of users" vs. "Users who have done [the event you're interested in] in past 30 days" (or whatever segment of time is useful for you)
   — "Number of users" vs. "In segment" and "Monthly Active Users"
   — Frequency

Are they being used by the people you designed them for?

— Define the segment of users you designed the feature for, then graph the size of segment and group by "has done [the event you're interested in]." **Bonus:** also group by "has not done [event]" to compare adoption rates.

Which features aren't being used?

`Count` of [event you're interested in]. See which events occupy the bottom of the list.

Which groups of customers are using your features?

`Count` of [event you're interested in], grouped by different User Properties

Is there drop-off in my conversion funnel? If so, where is it?

Build a funnel of your conversion steps. Then:

— To make exploratory measurements: Query `Paths` into [event you're interested in] to discover specific paths that may be interesting or unexpected

— To analyze the specific funnel: `Funnel` , based on `Paths`

How often are users returning to my product?

1. `Retention` : Session-Session

2. Size of `Segments` : DAU, WAU, MAU

What are my baseline metrics for:

— User activation rate

— Time to activation

— Retention rate

— DAU/MAU

Conclusion

Even if they only apply to single features in your product, these queries can be quite profound. Getting a strong signal that your product isn't doing what you hoped it would do is often an indication that you should change something about your business. These actionable insights can be then tied back to your strategic goals and inform your product roadmap.

For more information about how to answer these questions in Heap, feel free to visit the Heap Help Center.

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