

What makes users stick?

Finding, Defining and Validating your North Star Metric

Who's this for?

Product Led Growth SaaS Businesses.

Identify what metrics matter and the biggest growth opportunity in your data.

Owners, Managers, Leadership Teams

Establish clear goals and get your team on the same page.

Team members

Know the growth goal for your role. Take this to your boss and say enough is enough, let's do something about this.

Summary

1. A data-driven approach to defining your North Star Metric
2. Define the core metrics of your product
3. Identify your common conversion activity
4. Time frame & context for common conversion activity
5. How to use the North Star metric once identified

Visitor



Customer



Promises & Needs

Your website, social media, ads, newsletters, all make a promise to your visitors.

When that **promise** meets **visitors' needs**, that's when they consider signing up.

Activation

The process users go through from **signup to** the moment they receive the **promise** of your product.

North Star Metric

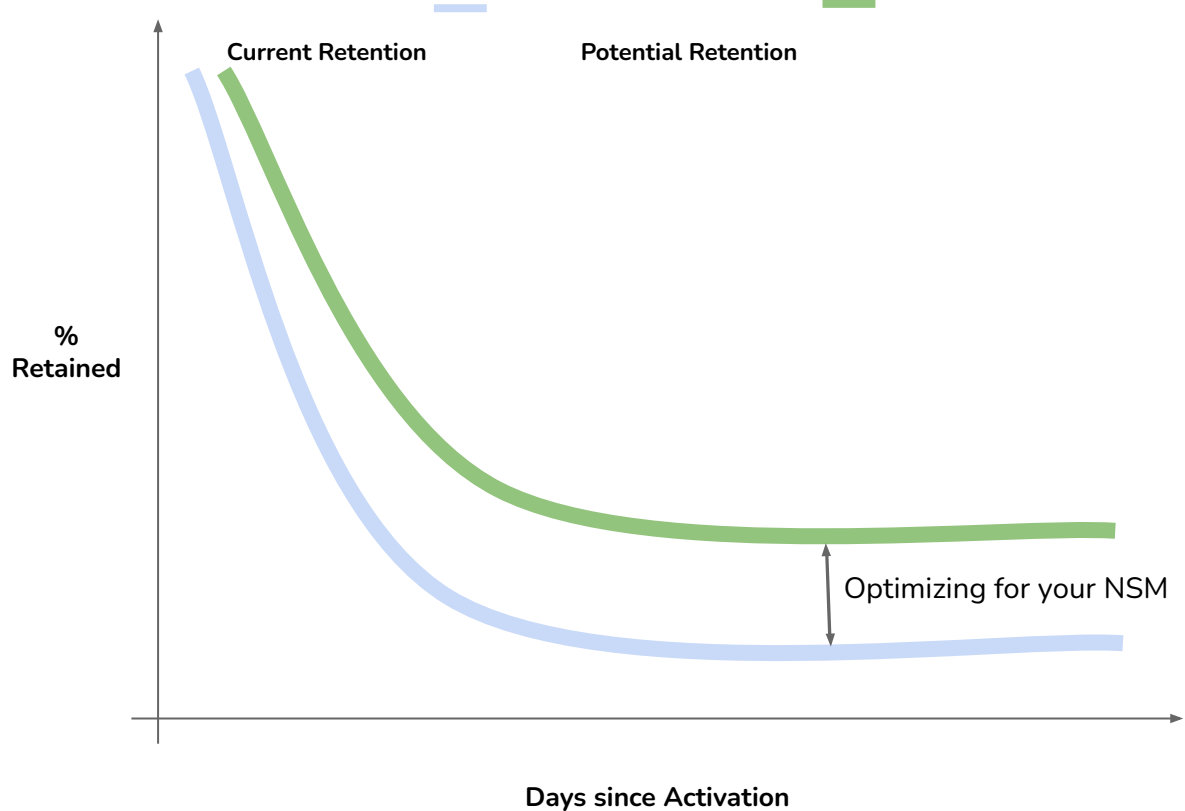
The minimum set of actions users complete in order to decide continue to use your product (or to lose if they stop using it).

Uncovered from user behavior data.

Why does this matter?

The opportunity for finding and optimizing your North Star Metric is represented in your retention curve

According to **Harvard Business Review**: Just a 5% increase in customer retention can result in 25-95% more profit



How to make your users form a habit with your product

Case Study

123FormBuilder



Signups per month: >10k

Promise: Build forms, collect unlimited data

Onboarding rate: above average (40%-60%)

1st week retention: average (>40% first week retention)



Build forms, collect unlimited data

- 01. **Build** the form you want.
- 02. **Connect** the tools you use.
- 03. **Collect** data where you need it.

Try for free



Rated 4.6 out of 5

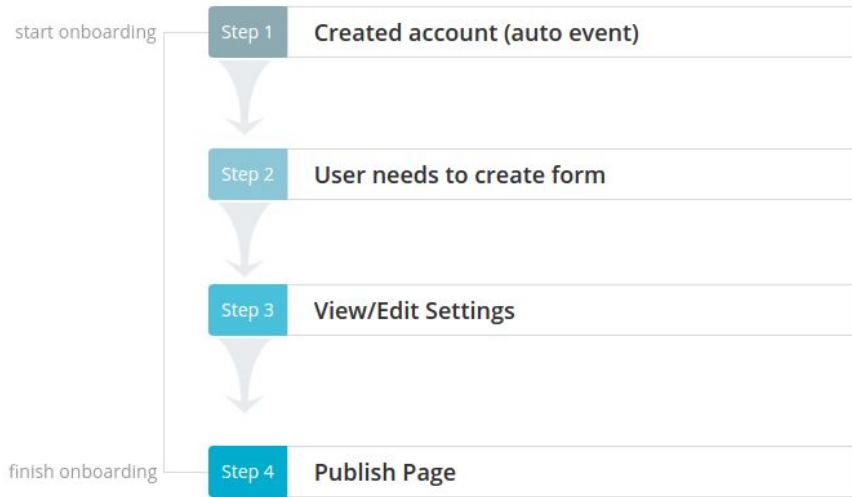


Trusted by over 35,000 companies like

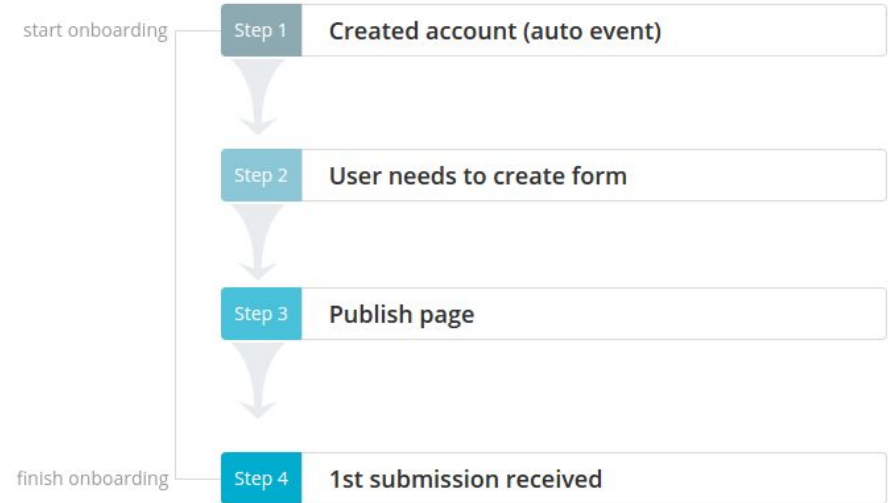


Activation

Before



After



How can you Identify your North Star Metric?

Step 1: Define your Activation Metric (your product promise)

Step 2: Define what makes your users activated

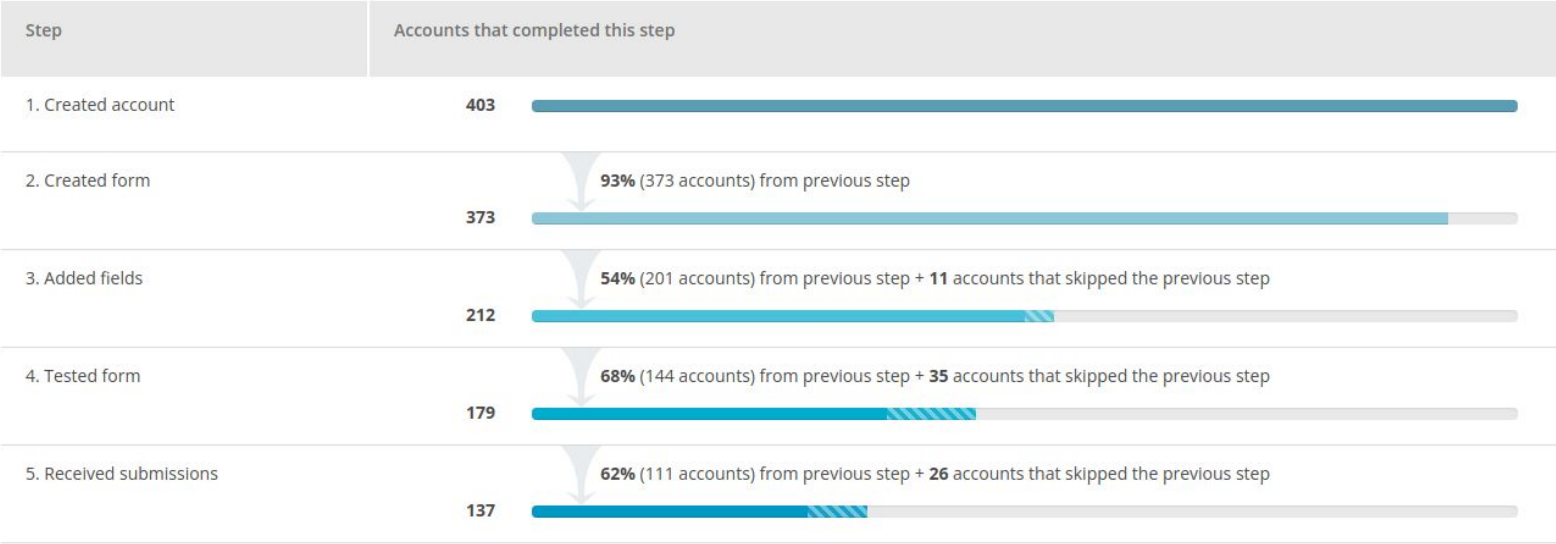
Step 3: Determine how long it takes for your users to become activated

Step 4: Find the common conversion activities

Step 5: Identify your North Star Metric

Determine your Activation Flow

THE ONBOARDING CONVERSION RATE STEP BY STEP



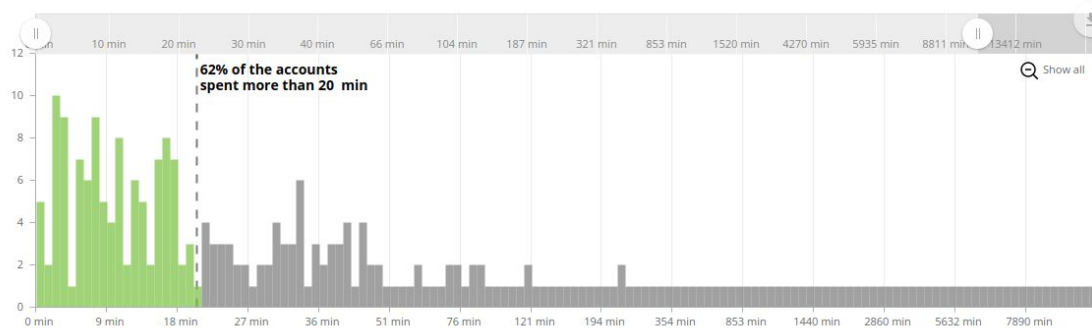
Determine time to activation

AVERAGE TIME SPENT BETWEEN THE ONBOARDING STEPS:

Calculated only for the accounts that went from one step directly to the next one.



THE DISTRIBUTION OF THE TIME SPENT TO FINISH THE ONBOARDING PROCESS



38% - accounts with common behaviour

🕒 10 min average time to finish the onboarding process

62% - outliers who spent more than 20 min and 00 sec

Find common conversion activities

ACTIONS PERFORMED BY ACCOUNTS DURING THEIR FIRST 30 DAYS AFTER ONBOARDING:

Action name	Accounts that performed this action during their first 30 days after onboarding	Returning accounts 1853	Accounts that didn't return 3140	Impact on retention
Actions that had a positive impact on retention				
received submissions <i>(performed more than 2 times)</i>	2921	1505	1416	■■■■■■■■□□
Page: p: dashboard <i>(performed at least once)</i>	2452	1171	1281	■■■■□□□□□□
registered_user_30_sec <i>(performed at least once)</i>	2475	1176	1299	■■■■□□□□□□
page_view_myforms <i>(performed at least once)</i>	2446	1149	1297	■■■■□□□□□□
Page: p: submissions <i>(performed at least once)</i>	2227	1085	1142	■■■■□□□□□□
Page: p: edit fields > tabId: 1 <i>(performed at least once)</i>	2168	1052	1116	■■■■□□□□□□
page_view_publish_formlink <i>(performed at least once)</i>	2268	1075	1193	■■■■□□□□□□
header_upgrade_popup_hover <i>(performed at least once)</i>	2101	1031	1070	■■■■□□□□□□
page_view_edit_from_switcher <i>(performed at least once)</i>	1923	986	937	■■■■□□□□□□
publish_copy_btn_click <i>(performed at least once)</i>	1930	987	943	■■■■□□□□□□
myforms_view_form <i>(performed at least once)</i>	2247	1055	1192	■■■■□□□□□□

core event with high impact on retention



Determine your North Star Metric

Get form submissions on 2 different days after first form is tested.

Core Metric + Common Conversion Activity + Time Frame

1. Core Metric = **Receive submissions**
2. Average Time it Takes to be Onboarded = **10 minutes (test submission)**
3. Common Conversion Activity = **Receive submissions on 2 different days**

North Star Metric Optimization

In most cases upwards of 3 contenders emerge as North Star Metrics, but how do you find the right one?

- 1. Set a goal out of each contender**
- 2. Measure the retention of each one over time and compare**
- 3. Design experiments to impact each goal**
- 4. Execute**
- 5. Analyze impact**
- 6. Establish winner**

Q: What is the retention of the accounts that reached the Reached North Star Metric goal?

CREATED ACCOUNTS PERIOD: 01-04-2020 to 31-05-2020

A: **WHAT WE ANALYSE:**

Cohort: Accounts created during the selected period **that reached the "Purchased option"** (461 accounts).
Analyse: The retention rate of these accounts after creating the account.

CONCLUSIONS:

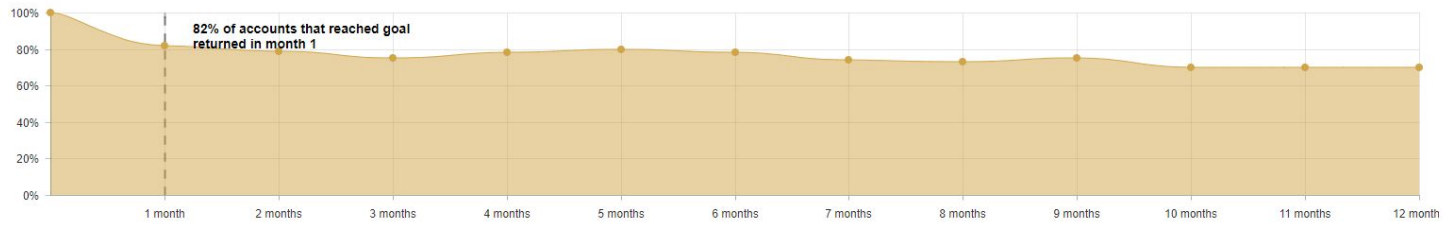
Out of a total of 461 accounts that reached the "Purchased option", **100%** accounts returned to your app at any time during the following 12 months after creating the account.
On average, the **month 1 retention rate** of the accounts who reach the "Purchased option" goal is **82%**.

RECOMMENDATIONS:

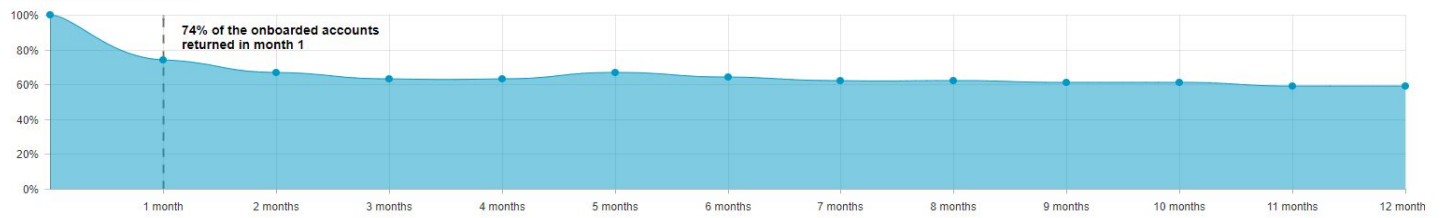
Tip: Find out how important reaching the "Purchased option" goal is for your accounts' retention. Compare this report with the **retention of the accounts who didn't reach the purchased option goal.**

[collapse answer](#)

OVERALL RETENTION CURVE



OVERALL RETENTION CURVE



The North Star metric to measure against, not one to enforce!

Measure how every change you make in your product influences the number of users reaching your North Star Metric.

Easiest conversion ever: Sticky users to \$.

The North Star Metric change over time, so monitor closely.

**I found the
North Star
Metric.**

What next?

Questions?

Find your biggest growth opportunities with Market 8 and InnerTrends

Book your free 2 hour workshop with the SaaS Growth Experts: Diagnose your bottlenecks & hit your growth goals!

In our session we'll dive into:

- Your product, how it works, and how it makes your users successful
- Which metrics you're tracking, how you're currently tracking them and what you should be tracking
- Defining your product's actionable metrics
- Aligning your entire team around the metrics that matter, and assigning responsibilities
- Dive into your funnel, and diagnose your biggest growth problem

You'll walk away with a step-by-step action plan you can implement straight away.

[Apply here](#)



Ready to kick SaaS? – **Let's talk!**

We look forward to partnering up and growing your SaaS with you!



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