Product experience at the centre of product-led growth.

Zoom, Slack, DropBox, SurveyMonkey - what do these supremely efficient products (platforms), have in common? Well, all 4 companies rely on the efficiency of their products to attract active users who then become loyal and paying customers. This is precisely what PLG strategy is all about.

We've recently witnessed the prevalence of PLG or product-led growth strategy mindset across B2C brands. PLG strategy allows the startup to effectively deploy their finances while creating an engaging product experience for their end-users. With product acting as the primary customer acquisition, conversion, and retention engine, product experience in product-led growth is the key element for the success of brands.

Defining Product experience

As increasing customers prefer to research and self-educate themselves about the products, product experience has rightly become an essential part of the product-led growth strategy.

In such cases, lengthy sales-like product calls are swapped with direct exposure to the product. Customers feel empowered when they learn and navigate the app on their own; let's accept it, we love that feeling. However, your app needs to be competent enough to deliver a seamless user experience without undermining the mental agency of the consumer.

An all-encompassing product experience entails guiding your users through the app to the sections that tend to retain users and walking them through with strategic nudges that match the user's journey. You then move on to boosting the adoption of new features and ensuring hyper-personalisation based on data and analytics. And finally, understanding the impact of nudges on user metrics and running rapid experiments to identify the best user experience.

Once the customer is hooked with the product experience, they will not only come back for more but also bring in more potential customers through word-of-mouth marketing. And that's

where you begin building your subscription-based business model welcoming active, freemium, and premium customers.

In the PLG strategy, you focus on the end-user instead of the ROI. You intently listen to the user and welcome hyper-personalisation at scale, all the while building a culture of quick and continuous improvement. As you focus on product experience, you put forth your product as an acquisition, conversion, and retention driver, plus deliver value before capturing the returns (that's being customer-obsessed instead of sales obsessed).

How do you implement PLG?
You do this by investing in product data to leverage (track, measure, and analyse) user behaviour. Plus building a product that distributes and markets itself while capturing value. All the while running rapid experiments that lead to continuous improvements.

Leading the PLG path

PLG is known to fuel the fastest-growing businesses. Zoom's rapid expansion is a stellar example of PLG. The company solely focussed on its end-user (via product experience) to drive acquisition, adoption, conversion, revenue at an unmatched pace. With a 39.8% share in the video conferencing market, it's leveraging product-led growth strategy the right way that helped Zoom compete against Google, Microsoft, and Adobe.

What's the key, you ask? The frictionless product experience - the ease with which you click on the link, type in your code, and get free 40 minutes of video conferencing. Why wouldn't someone who's navigating the challenging newness of WFH tech, not recommend the ease of Zoom? When you focus on the product experience, your product markets itself, and your customers bring in new customers - that's how you build a product-led business.

Understanding growth for mobile apps

To achieve product-led growth, the first step is to identify and understand the growth metrics, measure them right, and finally work on maximising them.

Speaking of mobile apps, know that the download numbers don't reveal the complete picture as within 72 hours of install, on average, 77% of the daily active users are lost. Stats reveal that apps witness 75% uninstalls on Day 0.

What is then an indicator of growth?

- Well, the number of retained users that keep coming back to your app,
- the number of freemium to premium conversions,
- the degree of monetisation of your app (your active paying customers),
- The number of referrals your app earns - that's your existing customers bringing in new customers,
- And feature adoption, measured by the number of users who discovered and activated the feature, the time taken to do both, and the repetition of the same.

Enhanced product experience to Achieve Product led growth

- ## Right onboarding

Around 75% of the users uninstall their apps within the first week itself. This stat helps us identify your first hurdle- the customer onboarding process. When your customer is exposed to your app, they immediately start evaluating based on the first impressions of the user experience. If they are dissatisfied, they will uninstall the app right away. Therefore, first, you must understand that there is a lot more to the onboarding process than just activating the user account through the confirmation email.

Yes, the only goal of your onboarding process should be user activation (when the customers start using your products to get things done), but you must understand that user activation is not a one-time thing. For example, Zerodha doesn't complete its user activation process once the customer opens its account. Instead, their user activation process is complete only when the user places their first order.

Here are few things you can do to create a better onboarding process for your potential customer -

- **Do not overwhelm your customer** with hundreds of choices when they initially start using your product. Try to limit their choices to only a few of your best things. For this,

send strategic nudges to lead users to the most important sections that tend to retain users on Day 0. Netflix uses this technique by providing a top ten list on the home page.

- **You can also make the onboarding process easier** by reducing the time taken by the user to perform the key task. Use soft nudges and walkthroughs to guide the users in the right direction.
- **Do not overwhelm your customers by exposing them to the complex functions** of your apps from the get-go. Use the progressive disclosure technique to get your users acquainted with your app's interface and slowly lead them onto the more complicated features. Tinder uses this technique while onboarding new users.

Refer to our existing blog for a deep dive into effective onboarding.

- ## Feature adoption and discovery

To begin with, feature discovery is a way of alerting your user to a specific feature or to a feature that would be beneficial to them. This sounds simple, yet most SaaS companies overlook this while rolling out new features in their apps. You can use feature discovery to promote a function of your app which is being underused and needs more engagement. Because it can be a punch in the gut when you release a new feature and it goes under the radar.

The feature discovery can be broken down into two parts. First, it makes the user aware of the existence of the feature. Followed by that, it displays how it can benefit the user. Understand that showing all the features on the Home Screen is not the solution. Hence, smart walkthroughs to contextually guide the users based on their user journey is the key.

Instagram is well-versed in using this feature. When they released their reel feature for the first time, they used highlighted stories to let users know about the feature, followed by the benefits of posting a reel. This highlighted story led to a higher rate of feature adoption.

Feature adoption is a product management metric that shows how many users are currently interacting with any particular feature of your application. As you may have already experienced, reels have completely taken over our Instagram feed and are now one of the app's most used features.

Looking to boost your app's feature adoption? Here's how you can. Feature flags are another quick fix to boost your feature adoption.

Feature flags make feature discovery and adoption way easier! Feature flags or feature toggles allow you to switch off and switch on the feature according to your needs. The lack of deployment of code also makes it easier to operate and measure their accessibility. Using the feature flag technique, you can also release the new features to a limited number of users before exposing them to your entire customer base. Essentially, you can fine-tune your ==user experience== to suit the masses.

- ## Experimentation

Product-led growth would not be possible without intensive experimentation with the ==user experience== and finally providing the highest results. Experimentation allows you to create different ==product experiences== for different groups of people based on their user journey and figure out what works best. You can then select the preferred one to enhance the ==user experience== of the rest of your database. This eliminates the guesswork from your decision-making process.

A/B testing or split testing is one of the more essential elements of ==product experience== experimentation. A/B testing allows you to make two versions of your apps available to different user segments. You can make more than two variables available to your segmented users.

You will need to continuously test the effectiveness and make the required changes to keep it functional. While conducting the A/B testing rounds, you should do so with generous sample size. It will make the decision-making process easier. Finally, you should only test a few variables at times. Using too many variables, and giving too little time to sample users, will provide inaccurate results. Using the feature flag feature will come in handy here as you easily toggle between the features and measure the metrics.

Brands can experiment with various product experience elements to deliver a winning experience. Right from the layouts, features, onboarding flows, the home screen of your app to the payment gateway page and the colour of the CTA - leave nothing to guesswork. Flowchart-based A/B testing will also help you map and test every use case across a user's journey in the app. Testing for each individual segment will enable you to deliver the best experiences.
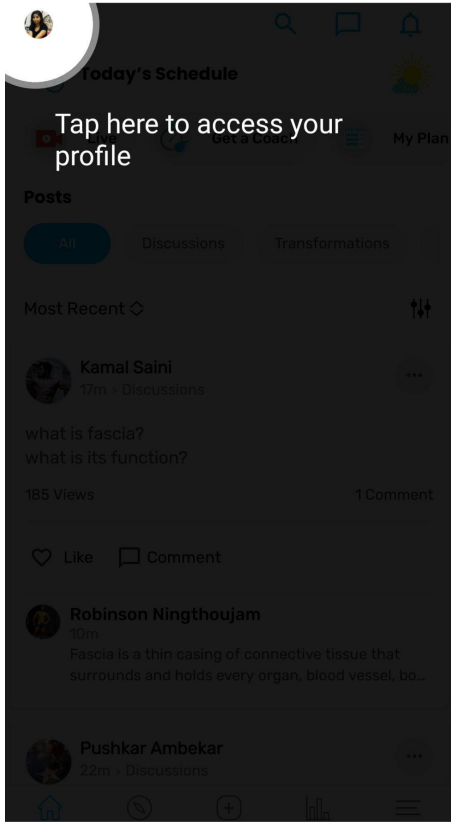
- Walkthrough and nudges

As mentioned earlier, users prefer to learn to use the app independently compared to a salesperson guiding them. The problem is, the customer might find it challenging to understand the more complex aspects of your app. Hence, you should leave no stone unturned while creating the walkthrough for your apps during the onboarding process.

Walkthroughs essentially allow you to provide a hand-holding guidance approach for your new customers. For the walkthrough to be effective, it needs to be interactive while addressing all the concerns of your users. While doing so, remember onboarding is a great time to value-sell your features - as you walk learners through specific features, rope in your USP's as well.

The walkthrough during the onboarding process encourages the user to explore the app more so that the user extensively accepts the app in their daily lives. Similarly, you can use nudges in conjunction with the walkthrough process to point the customers to use the app's new and underused features.

Nudges ensure smoother onboarding and faster activations as you walk your customers to the sections that tend to retain users as per data and analytics and prove to be more beneficial to the user. As you contextually guide the users to new and underused features, keeping their user journey in focus, you'll also experience a boost in feature adoption. Note that contextual guidance through the critical decision-making stages when the intent is significantly high is known to enhance retention (right nudges at the right time) rates.

For instance, when you install FITTR, you will notice that they use nudges in their walkthrough process. In its walkthrough process, they highlight the things which the user needs to do first. They then continue the walkthrough by highlighting other essential features such as their notification button, the discovery page, and workout plans. At the end of their walkthrough, they highlight the tools which are comparatively more difficult to handle.
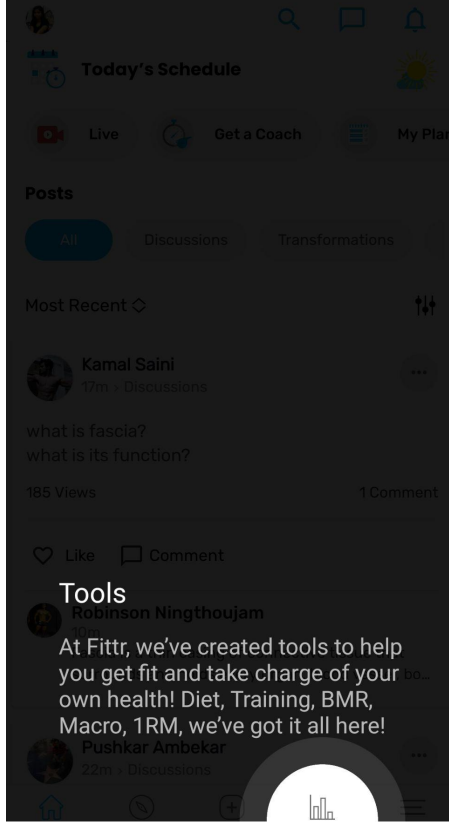
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Tools

At Fittr, we've created tools to help you get fit and take charge of your own health! Diet, Training, BMR, Macro, 1RM, we've got it all here!
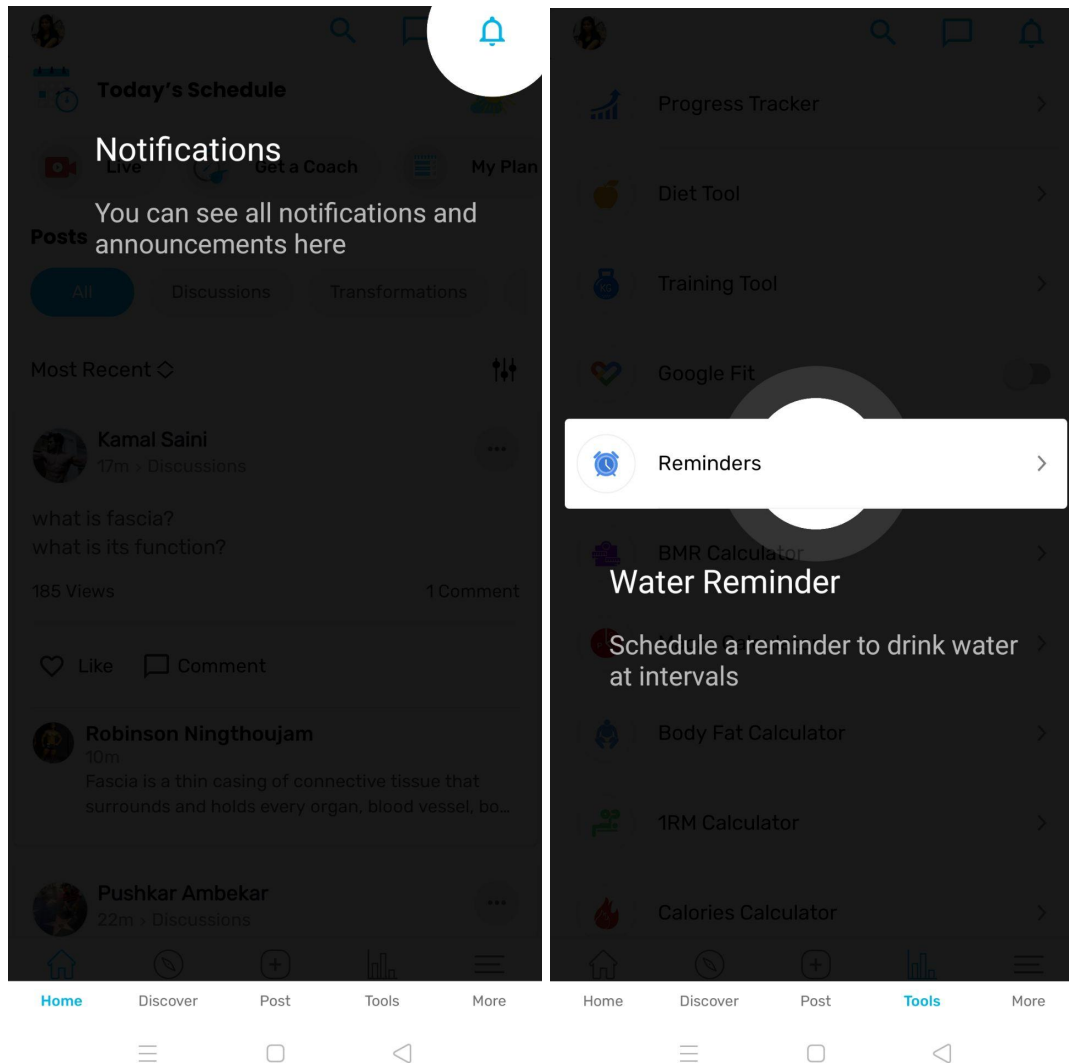
● Analytics

You can't measure growth without appropriate analytic tools and data. ==Product led growth== strategy heavily relies on creating the best possible ==product experience== for your users. This can only be possible through the insights that are collected from analysing the data.

You cannot rely on guesswork to ensure maximum conversions and retention. Tools like Raman AI Engine help you understand WHAT'S happening, WHY it's happening, and WHAT to do next.

Free trial conversion rate, churn rate, activation rate, user path analysis, behavioural analysis, and daily user metrics are some of the more critical data needed for creating a pristine ==user==

experience. Engagement rate with the underused feature of the application also allows you to promote it through push notifications. Based on your finding of product experience, you will be able to create a winning product-led growth strategy.

Change the game with digging deeper into churn prediction and knowing the WHY behind falling Daily Active Users and decreasing app installs

In the End…

But why should companies focus on product-led growth? Because the product-led growth strategy allows the company to deploy an efficient capital model to scale faster and more effectively. Netcore Cloud helps you formulate a winning strategy that will enable you to cater to your customer's needs while efficiently managing your finances. Their proprietary Raman AI engine helps you visualise the essential analytics and make better decisions based on your findings. Product experience is at the root of product-led growth, and a weak and overly complicated process is sure to leave your customer dissatisfied. And we can't afford that, right?