



QUANTITATIVE PRODUCT DECISIONS

Denver Startup Week – October 1st 2015



COLORADO PRODUCT



Two halves make...

Qualitative research is usually better for exploring, understanding, and uncovering, while quantitative research is generally better for confirming and clarifying.



Qualitative in a nutshell

Exploring, Understanding, Uncovering

- Market and Problem definitions
- Persona creation
- Marketing/Distribution Strategy
- Definition of MVP



Quantitative can now shine

Confirm and Clarify

- Is our marketing strategy effective?
- Did we identify the “correct” target market?
- Is our MVP valuable
 - What in our MVP is most valuable

- Measure - A quantitatively expressed reduction of uncertainty based on one or more observations



The Progression

1. **Count Things**
 - Avg Conversion Value
 - User lifetime value
 - Daily visits
 - Daily conversions
 - Traffic by page
 - Conversion attribution
2. **Group Things**
 - By product
 - By persona or customer segment
 - By feature
3. **Trend Things (understand trends)**
 1. Correlation
 2. Predictions



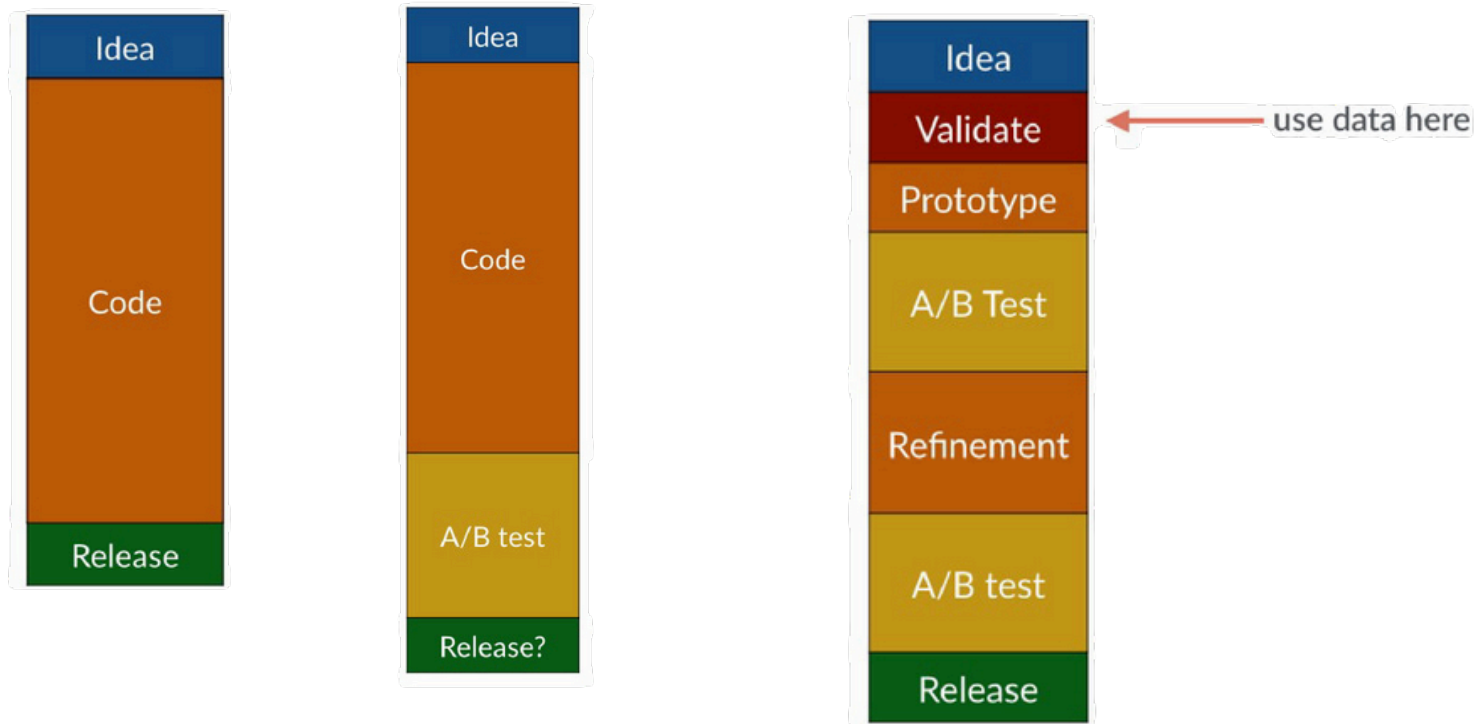
Measurement

- What is the decision this measurement is suppose to support?

Should I prioritize this work?

- I know the single most important thing for my business is X
 - Does this measurement help me quantity the impact I have on X

What does this look like?



How do we do that?

Qualify the Problem

Quantify the Impact (of solving the problem)

visitors * conversion * order value * their cut * **lift**

users * order value * their cut * **resurrection rate**

Example 1

- Visitors – 50k to that page
- Conversion - .25%
- Order amount - \$400
- Their cut 3.5%
- Lift

Lift	Daily +GMS	Yearly +GMS
+0.5%	\$250	\$90K
+1.0%	\$500	\$180K
+2.0%	\$1000	\$360K



The Result

- An increase of 8k a year...

Don't proceed

Example 2

- Users – 20k
- Order Value – \$40
- Their cut – 3.5%
- Resurrection rate

Resurrections	Daily +GMS	Yearly +GMS
1%	\$8K	\$3MM
2%	\$16K	\$6MM
5%	\$40K	\$14MM



The Result

- Could be \$500k

Proceed



The Tools

- Google Analytics
 - Acquisition, usage, demographics, :allthethings:
- Google Tag Manager
 - User actions in apps/sites
- MixPanel
 - Events to track
- Segment.IO
 - Parse info to many sources
- CrazyEgg
 - Heat Maps
- KISSMetrics
 - Events to track