

PRODUCT-LED GROWTH GUIDE

# How to Get Started with PLG



**Amplitude**

Volume 02



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# Introduction

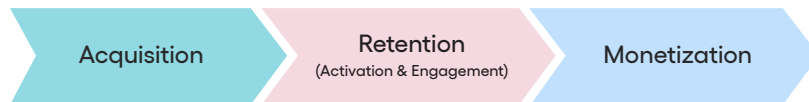
If you read the [first volume of our Product-Led Growth \(PLG\) Guide](#), you know interest in PLG is at an all-time high — and unlikely to flag any time soon. You also know that the strategy is a sprawling and complex topic. Understanding its many nuances can be a challenge — and the same is true for putting it into practice. To help you get started, we've created this follow-up volume with insights from dozens of experts on the tactics and metrics you need to know to tackle PLG at your organization.

# What Is PLG?

Former Amplitude Head of Growth [Elena Verna](#) describes growth as “your ability to predictably, sustainably, and competitively answer the question of how you acquire, retain, and monetize customers.”

PLG is one way to do that. It’s a [growth motion across each stage of the customer journey](#) — acquisition, retention (activation and engagement), and monetization — with the product at the center:

- At the acquisition stage, the product drives new users to sign up.
- When it comes to retention, users activate and engage without any human intervention.
- At the monetization stage, users can check out without help from sales.



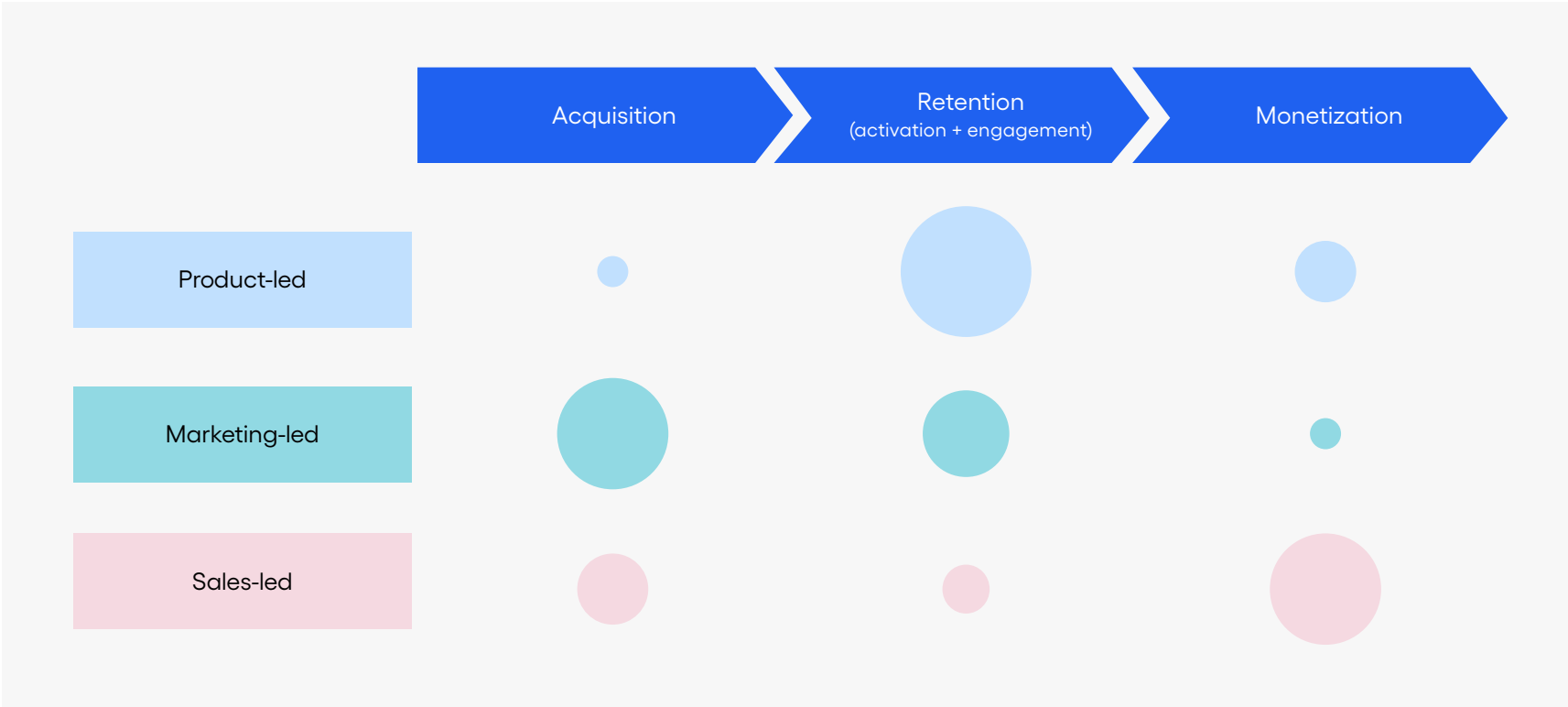
Growth is your ability to predictably, sustainably, and competitively answer the question of how you acquire, retain, and monetize customers.



[ELENA VERNA](#)  
Former Amplitude Head of Growth

There are, of course, some famous examples, such as how [Zoom](#) uses PLG to drive acquisition. An account holder creates a meeting link and shares it with their guests, who get to experience the Zoom meeting and then have the chance to create their own accounts. [Calendly](#), which employs a similar approach to acquisition, carries the strategy through to retention with a user-friendly interface and to monetization by making it easy to pay with a credit card.

But even companies synonymous with PLG rely on sales-led and marketing-led motions. In reality, most successful companies have two or three motions running simultaneously, using a blend of the three motions to drive growth.



Most companies blend product-led, marketing-led, and sales-led motions across the customer journey stages with different weights for each.

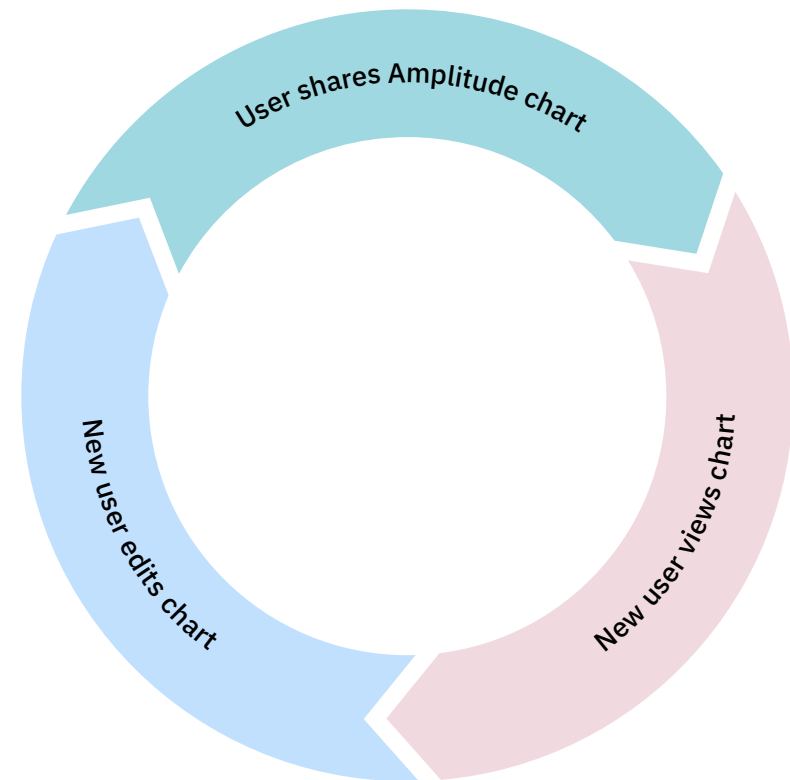
# What Are PLG Tactics?

Each growth motion — product-led, sales-led, or marketing-led — has different tactics for each customer journey stage. As noted above, you can, and often should, use them in tandem.

## Product-led acquisition tactics

Even at this earliest stage of your customer journey, the product itself is key. Its inherent value — and shareability — animates one of the most popular product-led acquisition tactics: **virality loops**, the phenomenon of continuous customer referrals. These referrals may come through:

- **Word-of-mouth:** Loyal users who spread the word thanks to delightful product experiences.
- **Incentives:** Rewards or bonuses for users who invite their friends or teammates.
- **Collaboration invitations:** Built-in sharing mechanisms to help users bring others into the product to collaborate with them.
- **Sharing experiences:** Easy ways for users to share their in-product creations with people outside the product. For example, Amplitude improved our analytics platform's sharing modal and saw a 41% increase in conversion to share an Amplitude chart and a 4% lift in users who shared.



An example virality loop for users who share an Amplitude chart with an insight. New users who view the chart may be inspired to edit it and further explore the insight. They will then share the edited Amplitude chart, continuing the loop.

No matter the referral channel, the effect is the same: They all grow new users. Think of how the above examples — Calendly and Zoom — have used the virality loop to achieve explosive growth.

Products that leverage **network effects** become more valuable as more users adopt them. Think of how messaging apps like [Slack](#) and [Microsoft Teams](#) and collaboration tools like [Miro](#) offer users a better experience when their teammates join. That's because they make the most of connections between users — the network — offering more ways to communicate and collaborate.

Similarly, **product artifacts** — byproducts of software development that include diagrams or tools — can be a powerful means of attracting new users. Take [Notion's project management templates](#), which users can share with any colleague, even if they are not already Notion users.

**Content** is another critical PLG acquisition tactic and can take different forms. These include **editorial and support content** your business creates to showcase the product's value or help users get started, such as guides, blog posts, or white papers.

Another effective form is **programmatic content**, a method for generating multiple web pages from one set of core content, using data and pre-programmed rules that dynamically transform the content based on the reader or goal. [Ben Williams](#), former VP of Product at cybersecurity company [Snyk](#) and current [Product-Led Geek](#) Advisor, noted that Snyk's programmatic content “brought in large volumes of users into the core use case for the product.”

”

Paid user acquisition is extremely difficult and expensive right now. Investment in ‘free’ activities to communicate with our user base and encourage them to promote our product has proven to be a more effective — and cost-effective — channel for us. We're early in our journey, but have already substantially scaled back the limited ad spend that was supporting our early growth in favor of new PLG channels that are beginning to pick up steam.



BRAXTON BRAGG  
VP of Growth, [Revel.xyz](#)



One example is [Snyk Advisor](#), which targets developers searching for packages to include in their software by automatically generating web pages with package health scores and other useful information. These pages continue to bring more than a million monthly visitors to Snyk.

Similarly, Snyk built a pull request feature that automatically scans developer code and provides a pull request to fix security vulnerabilities. Every day, Snyk generates thousands of these pull requests — all of which come with Snyk branding — to acquire new users and re-engage existing ones.

[Kyle Poyar](#), Operating Partner at [OpenView](#) and [Growth Unhinged](#) Author, also advocates for pairing SEO and content. In his [product-led marketing guide](#), he cited tactics such as:

- **Benchmark reports:** Trend analyses that spotlight data related to your product, like Amplitude’s annual [Product Report](#).
- **Product education:** Content that helps readers solve problems while showcasing how your product can help. For example, Amplitude has content about [calculating a specific metric](#) that shows how to measure it automatically with an Amplitude chart. The content also links to a [self-service demo environment](#) where readers can experience the chart firsthand.

Often, users generate — and sometimes even distribute — the most valuable content. One frequently cited example of **user-generated content** is [SurveyMonkey](#), the platform that allows users to create and share surveys, generating new users for SurveyMonkey.



## Product-led retention tactics

PLG is more than a strategy to attract new users: It's also an effective way to keep them coming back. That's why it's so useful for retention — the result of activation and engagement.

### Product-led activation tactics

For activation, the product guides users to discover its value on their own — and that might happen long before someone uses your product.

“I like to think of the activation process as something that starts really early, probably before they get to your web presence,” says Williams of Product-Led Geek, noting that particularly memorable blog posts or even billboards can trigger that discovery.

“When you talk about the product in PLG, it encompasses the entire user journey, not just the application,” he says.

And when users reach your site? Williams recommends guiding them to find value and establish habits with the following tactics:

- **Foster good friction.** Williams believes you should eliminate bad friction but cultivate good friction to keep user motivation high through tactics like **gamification**. Another tactic is posing thoughtful **profiling questions** during onboarding that help tailor the user experience or connect users to the right solutions or specialists. Snyk used this approach to **personalize onboarding** by determining the next best action based on what it knew about the user.

- **Leverage social proof and use cases.** Demonstrating how your product solves problems for customers with similar use cases can help you relate to new users and improve trust. You can use profiling to target and showcase the right social proof and use cases at the right point in their journey.
- **Chart user progress.** Visualizing user progress during the onboarding phase can be a powerful motivator, inspiring users to complete the process and unlock the product's full value.

### What are you trying to do here today?

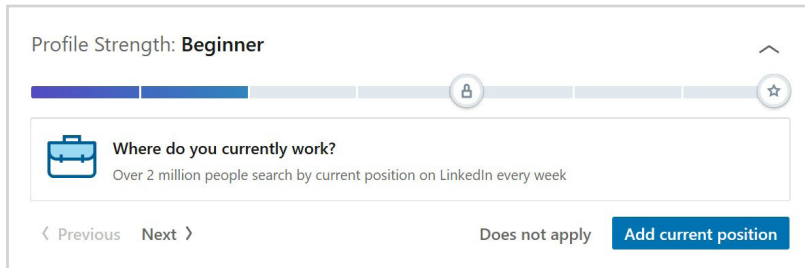
Send existing data into Amplitude

Plan and instrument new events

Explore product demo

Profiling questions in Amplitude's onboarding

Williams cited [Airtable's](#) progress bar, which lets users know where they are in their onboarding. [LinkedIn](#) employs a similar tactic with a progress bar at the top of a user's profile to remind them that their profile is incomplete.



Another effective way to drive activation is by awarding users **skills certifications** for completing trainings, which encourages other users to increase their own engagement. Finance app [INDMoney](#) saw results with this tactic when it created its IND Learn program, which helps users learn finance skills and get certified in five minutes. The initiative lifted INDMoney's activation rates and boosted acquisition as users shared their certifications online.

“The best way to solve for activation is to educate the user,” says [Tej Pandya](#), Associate Director, Product and Growth, INDMoney. “It builds trust, and an educated user is always more likely to activate.”

Amplitude VP of Product [Ibrahim Bashir](#) agreed, [citing certifications](#) as a way to reward power users by turning their usage into something beneficial to them. Two notable examples are [Salesforce Admins](#) and [AWS Certifications](#).

## PLG at Amplitude: How we boost activation

At Amplitude, we care a lot about activation and have used a number of PLG tactics to target this key stage of the customer journey. Here are the ongoing bets we make in our product to improve our activation rate:

- Simplified the onboarding journey so users can experience product value and reach their “[aha moments](#)” more quickly. We reduced the number of pages in our new user signup flow, leading to a 60% increase in conversion from signup to account creation.
- Piloted a Sales Assist Program to help users during the setup moment.
- Added questions about what users want to achieve to our onboarding and customized the user journey accordingly.
- Invested in goal-oriented activation email nurture flows.
- Created the [Amplitude Academy](#), a free resource offering Amplitude skills and training, and the [Amplitude Community](#), an online forum for Amplitude users to share questions and ideas.
- Continue to invest in one-click integrations with data sources to speed up the setup process.



PLG PERSPECTIVE:

# Personalized and goal-based onboarding for product-led activation

By [Dave Rigottj](#), Co-founder, [Inflection.io](#)



Getting activation right is essential for a successful product-led growth strategy, and it all begins with onboarding. Without a strong onboarding experience, there's little chance you'll be able to achieve the engagement, conversion, and retention rates you need to sustain your business.

Onboarding—introducing users to your product, helping them understand how it works, and guiding them to complete the essential steps—is your chance to show off the value of your product and leave a lasting impression on users. By perfecting the onboarding process, you can establish trust and credibility, making users feel confident they can achieve their goals with your product.

**In-product guides** such as product tours, checklists, pop-up messages, and chatbots are instrumental in spotlighting your product features and fostering engagement. Timely **push notifications** are great for grabbing user attention. **Emails** are useful to gently nudge users back to the product and build a comprehensive experience.

Many onboarding tools exist, but what secret ingredients make the process truly effective?

## Personalized onboarding

The best onboarding processes are always tailored to the user. Personalization based on product event data and firmographics provides a well-rounded experience for your end user.

The million-dollar question: How do you do it? You may not know much about your users, but you can solve that puzzle with these approaches:

- Conduct a **micro-survey** when the user signs up to understand what they hope your product will help them achieve and guide them through a curated onboarding journey.
- Use **historical data** from similar customer demographics (company size, user role, etc.) to send them on a more relevant onboarding path.

Either way, you are making the most of your current and historical product and CRM data to personalize your onboarding messaging instead of pushing users through a generic time-based flow.

## Goal-based onboarding

Use in-product interactive guides, push notifications, and email reminders to nudge users to finish a task and move on to the next step.

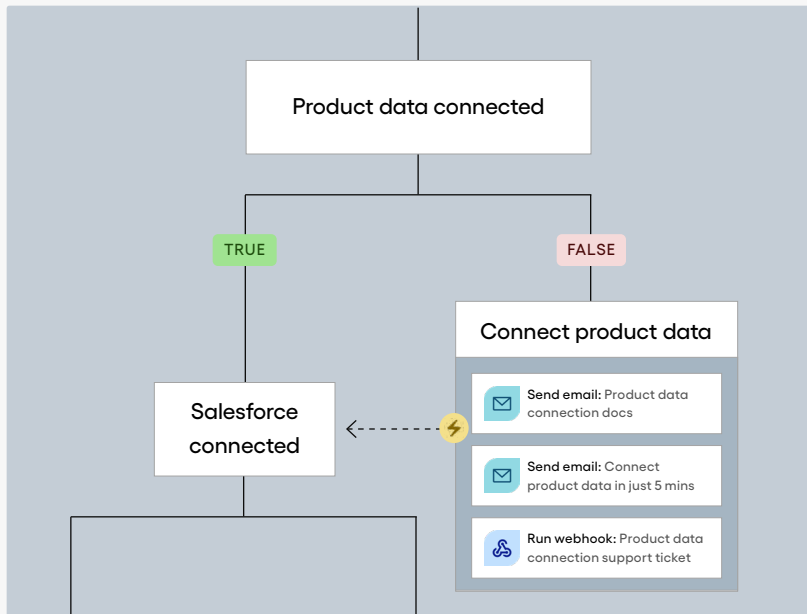
To ensure the right goal-oriented messaging, connect your customer data platform (CDP) to your email marketing platform. You can do this with Amplitude's Marketo connector or a dedicated marketing automation system like [Inflection](#).

We practice goal-based onboarding at Inflection. When we onboard users, our initial goal is for users to connect their product data and CRM to our platform. If they don't complete that goal, we send them email reminders.

With goal-based onboarding, you can guide users through the product with clear objectives that align with their needs and expectations.

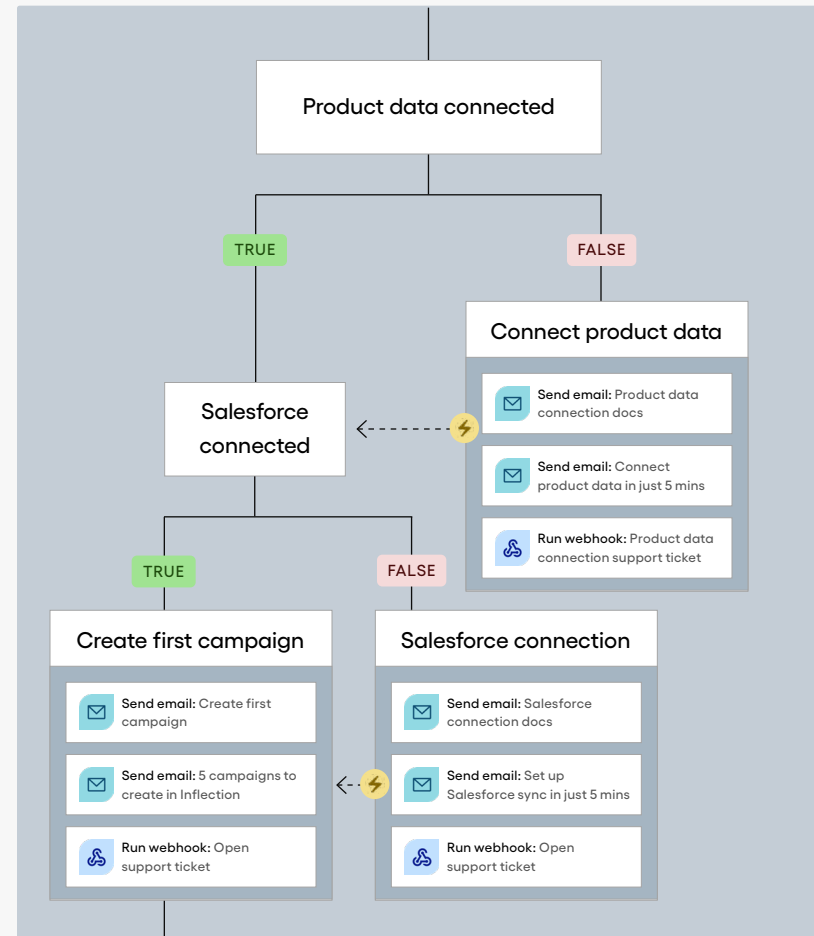
Onboarding doesn't stop here. As your users convert to paid plans and eventually expand to higher tiers, they should still be on personalized and goal-based onboarding paths relevant to their lifecycle stage.





Inflection’s onboarding workflow: users who complete the product data connection (“TRUE”) move on to the next step – the Salesforce connection – whereas those who don’t (“FALSE”) receive email reminders with helpful resources

Your onboarding experience has to evolve to be effective. When starting out, design the onboarding experience based on your ideal customer profile (ICP). Keep tabs on the user journey post-onboarding to improve, customize, and expand the journey according to your data.



A continuation of the Inflection onboarding journey that nudges users to the next meaningful goals (“Create first campaign” and “Salesforce connection”)



## Product-led engagement tactics

When it comes to engagement, it's a matter of making product use become a habit. Williams pointed to such tactics as:

- **Push notifications** that remind users to return to the product. The meditation app [Calm](#), for example, found that prompting users to set a daily reminder notification [increased retention by 3X](#).
- **Game mechanics** that motivate users to stick with the product by rewarding them with a sense of accomplishment.
- **Personalized experiences**, which align with users' needs and expectations. Williams cited project management software maker [Wrike's](#) dashboards as an example, noting that it customizes the dashboards for each user and augments them with AI-recommended tasks.
- **Communities** where users can exchange advice and ideas and find a sense of belonging that brings them back to the product. Amplitude's [Cohort community](#) is one example.
- **Incentives** that entice users to come back to the product. [Mailchimp](#), for instance, gives users credit to use against their bills. What makes the strategy so effective, Williams observed, is that the credit expires, so users are incentivized to use the product before they lose the offer.

You can also cultivate engagement through **integration**. Think of the way [Atlassian](#) is designed to work with other products, including those in its platform.



## PLG in action: How WeMoney increased retention by 20%

Using Amplitude, Australia-based personal financial app [WeMoney](#) noticed that users who set money goals within the first three days of onboarding had a higher retention rate at the 12-month mark than those who didn't. WeMoney's solution? The company built goal-setting into its initial onboarding process and used Amplitude to build lookalike audiences to find more people pursuing similar goals and pathways. The result: a [20% increase in retention](#). The company also reduced customer acquisition costs by 2x.

“When I’m creating a roadmap using [Jira](#), I can pull that into [Confluence](#) very easily without leaving the tool,” says former Amplitude Director of Product Management [Hiral Shah](#).

The more reasons users have for leveraging the product, the better. Integrations are one way to do that. **In-app messages** or **marketing content** that informs users of how they can maximize the product are others. For example, many B2B companies use tools like [Intercom](#) to reach their users with in-app messages, product tours, and surveys.



PLG PERSPECTIVE:

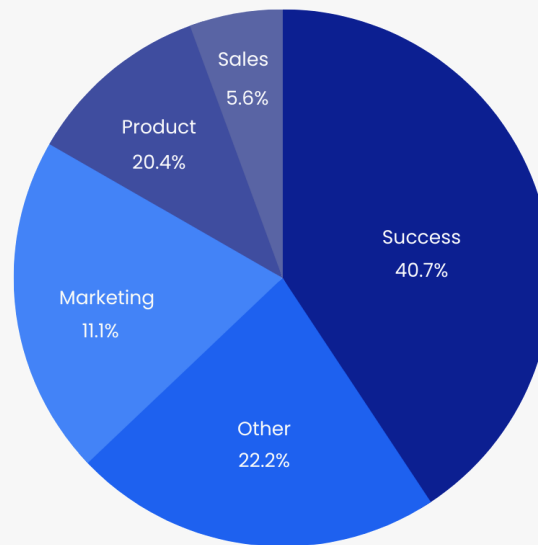
# At-scale customer success for product-led engagement

By [Dave Rigotti](#), Co-founder, [Inflection.io](#)

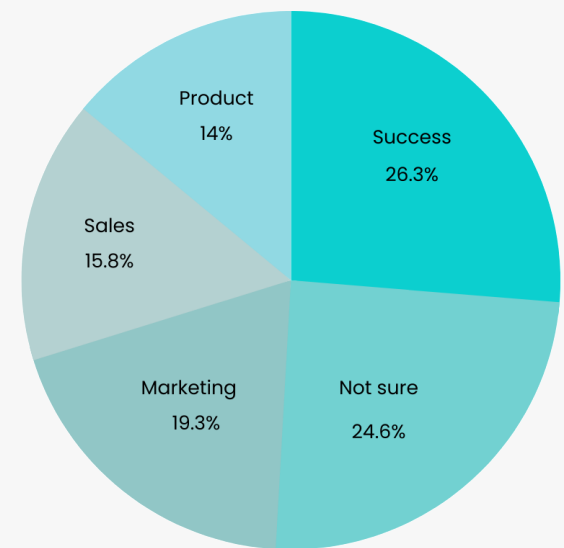
Customer success in a product-led world goes far beyond issue resolution and technical support. It means building a long-lasting relationship with the customer, designed around providing them with maximum value. The trick is doing that at scale.

In a PLG model, customer success leaders play an important role on growth teams, along with their marketing and product peers. Inflection's recent [State of PLG](#) survey report confirms that the success team primarily owns customer retention and expansion.

Ownership of retention



Ownership of expansion



The roadblock customer success leaders most often cite: “scaling.”

“Managing customers at scale is the hardest capability to execute well,” says [Vic Davis](#), SVP of Customer Success, Inflection.io.

Davis notes: “We tend to over-pivot towards high-touch programs aimed at high-value customers... executed through superhuman customer success managers. Solving for scale is what drives value when and where humans can’t.”

Understanding and using product data is a huge win for customer success teams. A great example is sending an **automated quarterly business review (QBR) email**. Here’s why an automated QBR works so well:

- Serves as an effective tactic for spotlighting value for teams and executive sponsors alike.
- Reminds your customers of the success they are having with your product.
- Drives engagement and the next best action through personalization based on usage.

[StackMoxie](#) sends a weekly automated QBR email using Inflection.io. This email includes personalized value metrics curated for users and executive sponsors. It answers important

## STACK MOXIE

### Slack Weekly Metrics

Your weekly Stack Moxie account overview: All metrics are for the past 7 days. Prepared for Eli at Slack.

<b># of Runs</b>	<b># of Fails</b>	<b>Pass Rate</b>
4994	87	98.2%
<b>URLs Created</b>	<b>Active Users</b>	<b>Manual Runs</b>
189	16	34

Share your experience with Stack Moxie. Leave a G2 review

customer questions and inspires users with ideas to get more out of the StackMoxie product.

Sending nicely packaged email communications with meaningful metrics weekly or monthly can help you deliver an at-scale customer success program.



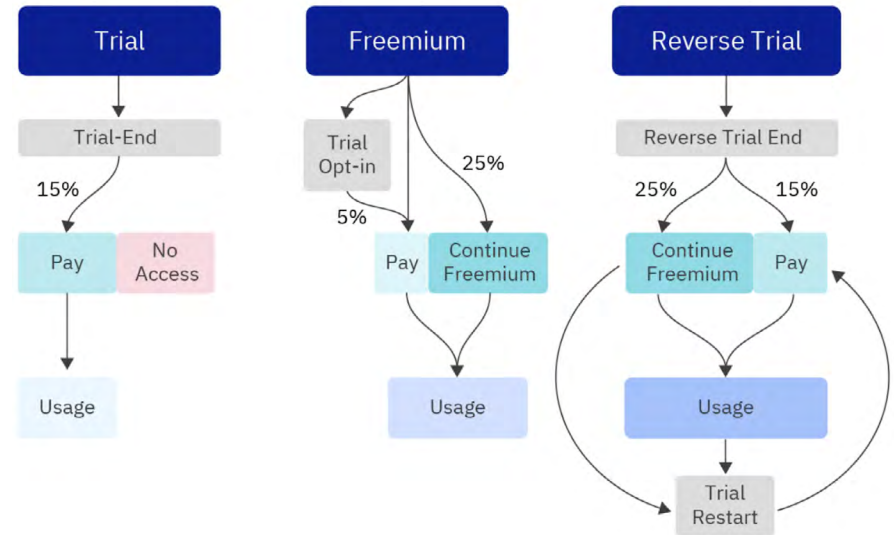


## Product-led monetization tactics

With PLG, the road to monetization begins long before users type their credit card numbers into a checkout page.

Verna points to trial-based, freemium, or [reverse-trial](#) models as tactics for turning new users into paying ones.

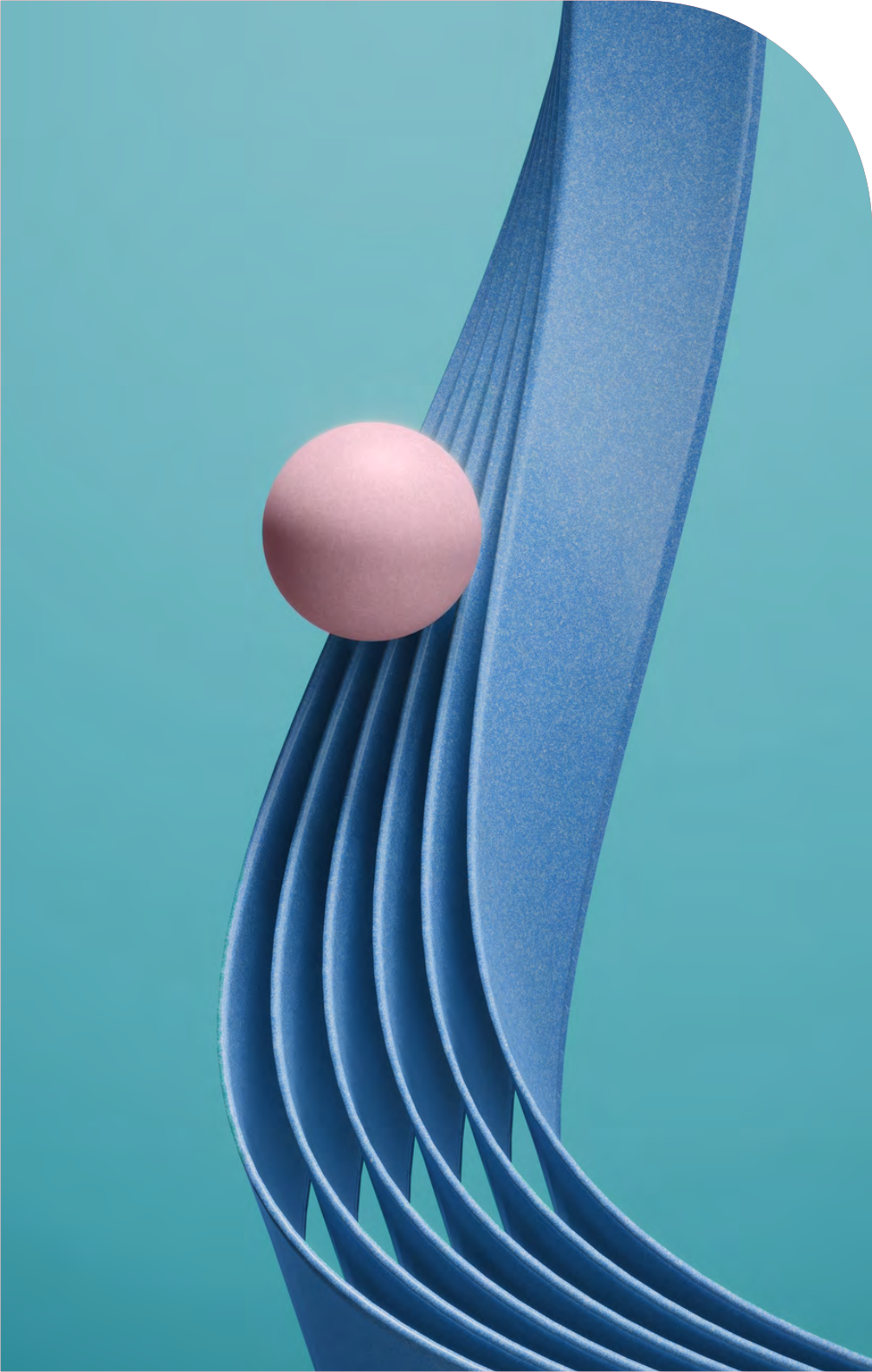
- **Trial-based models** offer a version of a paid product for a limited time. After the trial ends, the customer pays or must stop using the product. There are two kinds of trials:
  - **Credit card trials**, which require a credit card number upfront that is automatically charged when the trial ends.
  - **Free trials**, which allow customers to use the product without providing payment information.
- **Freemium models** offer a limited version of the product for free, forever. The customer may upgrade to a paid plan to access additional features, more usage, or special benefits like priority support.
- **Reverse-trial models** put customers in a freemium experience with a limited-time, free trial with access to paid capabilities. The experience reverts to a traditional freemium plan after the free trial ends.



Trial, freemium, and reverse trial models with typical conversion rates Verna has seen from various companies

Although their approaches vary, what these models have in common is a way of offering users a chance to experience the product before committing, a must-have in today's market.

LinkedIn's [InMail Messages feature](#) offers an interesting case study. The feature allows users to send direct messages to other LinkedIn members even if they're not connected. But the number of InMails you can send depends on your LinkedIn plan. A free plan doesn't allow you to send any InMails, whereas other plans can range from five to 50 InMails per month.



LinkedIn's approach with InMail Messages reflects a hybrid of philosophies, and it works well at targeting customers at different stages of their journey. These include free users looking to reach prospects outside of their connections and users with lower-tier paid subscriptions who want to upgrade to a plan that allows them to send more messages.



## **PLG in action: How Parabol increased paid plan conversion**

[Parabol](#) began offering AI summaries of user-generated content as part of its free trial. This feature aimed to create value that would retain users and increase paid plan conversion when users realized that value. Since this was an experimental feature, the Parabol team tracked the number of AI summary requests after launch, AI summary-related upgrades, and customer feedback. They found that including the AI summary feature in their free trial prompted more users to convert to paid plans.

PLG PERSPECTIVE:

# Time-based or credit-based trial strategies for product-led monetization

By [Dave Rigotti](#), Co-founder, [Inflection.io](#)

There's a lot of variety when it comes to free trials. **Time-based trials** (30 days free) and **usage-based trials** (\$1,000 in credits) are two popular options.

Deciding which is right for your organization requires analyzing your product, target audience, and business objectives. The following are additional factors to consider:

## Usage variability

Most [PLG companies](#) employ a product analytics tool like Amplitude to understand product usage patterns. Look at your analytics tool to understand if your product's usage or consumption patterns are relatively consistent across user profiles. If yes, a time-based free trial might be best for you.

Consumption-based models make more sense when there is significant variation in usage levels among different customers, allowing for more tailored pricing based on actual consumption.

## Adoption cycle

If your product has a short adoption cycle — users can quickly see the value and make a purchase decision — a time-based free trial can be effective. This is especially true for products with immediate and tangible benefits that users can experience quickly.

For more complex products with varied use cases and longer product adoption cycles, offering free credits or a longer trial period is the way to go.



## Conversion rate optimization

By offering a specific trial period, you create a sense of urgency and encourage users to explore the product intensively within that time frame, potentially leading to higher conversion rates than a consumption-based model.

But if the value of your product is tied to deeper product adoption and engagement, users may feel rushed to evaluate the product, potentially impacting their decision-making process.

## Hybrid pricing strategy

The popularity of usage-based pricing in SaaS is [on the rise](#). If you have a pure usage or consumption-based pricing strategy, offer credits for trying out the product.

But if you have a hybrid pricing strategy that combines usage with tier or per-seat pricing, a time-based free trial provides a simpler and more transparent experience. It allows the customer to have some traction with your product before the time expires.

## Choosing the right trial strategy

The choice between free credits (a usage-based pricing model) and free trial (a time-based model) depends on your business' specific context and goals. Consider your target audience, product complexity, and revenue goals to determine which strategy aligns best with your growth objectives.



## PLG in action: How CleverTap identified its ideal free trial period

[CleverTap](#) is the all-in-one customer engagement platform that helps brands personalize and optimize all consumer touch points to improve user engagement, retention, and lifetime value. The CleverTap team experimented to find the right duration for their time-based free trial, looking at the percentage of users who integrated out of those who signed up and the percentage of users who canceled their trials. After several iterations, they landed on 30 days, enough time for users to discover how valuable the platform can be, but it still comes with a sense of urgency.



Other useful monetization tactics include:

- **Use case awareness.** Williams discussed highlighting paywalled features that unlock different use cases. Of course, he added, it is best suited to multi-use case products and should be deployed carefully to avoid spamming users with irrelevant information or, worse still, information about features they've already used.
- **Product-led sales.** Product usage signals (e.g., usage spikes, advanced feature usage, or user behavior changes) let GTM teams know when to engage with a customer. Trial plans are a particularly valuable source of information, which is why Amplitude launched a free trial of our most popular [Growth plan](#) feature. We also empower our sales team with product usage data on free users and a product qualified account (PQA) score to identify the most promising accounts. We found that sales is three times more likely to convert those PQAs than any other lead.
- **Pricing updates.** Because PLG takes a land-and-expand approach with free or low-cost entry plans that fill a pipeline of users for later conversion to enterprise deals, finding the lowest sustainable price is essential. A good rule of thumb from Verna: Choose a price that is less than the perceived value minus friction. After experimenting with PLG pricing, [FlexiSAF](#) Head of Growth [Usman Ibrahim](#) saw a reduced payback period — six months compared to 10-12 months with a sales-led approach.

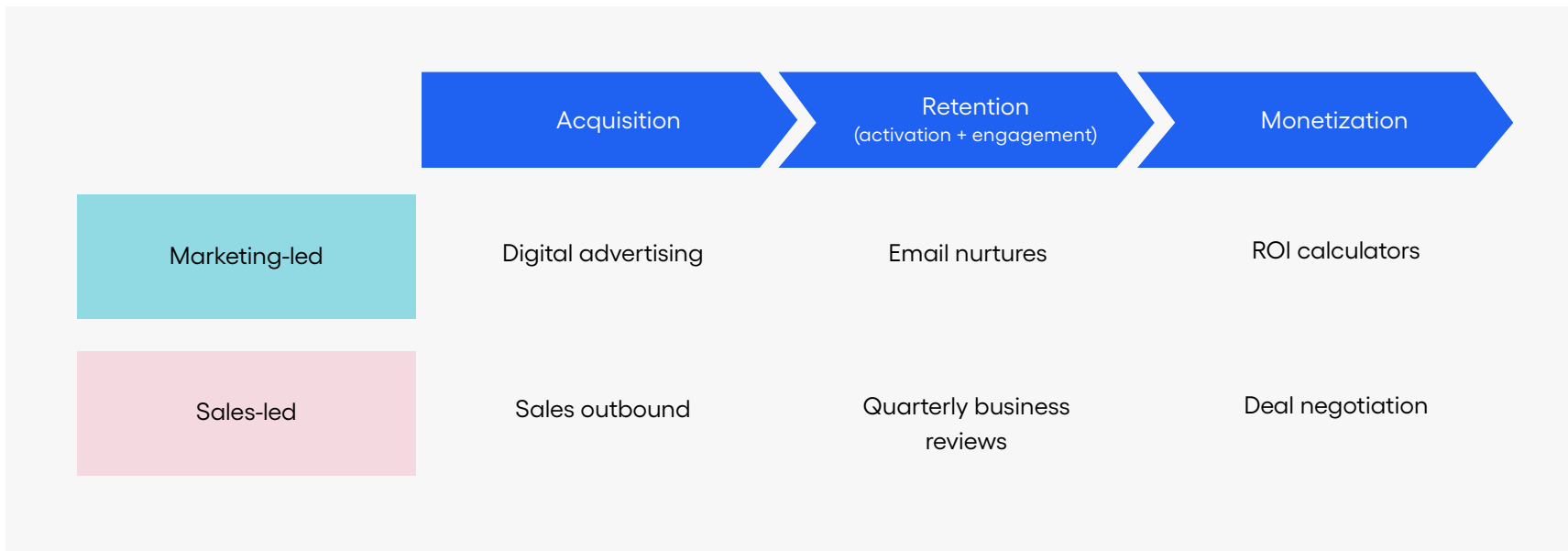


## PLG in action: Jumbo Interactive delivers personalization to lift conversions and revenue

[Jumbo Interactive](#) runs Oz Lotteries, a platform that resells Australian National Lottery products like Oz Lotto, Powerball, and Lucky Lotteries' Super and Mega Jackpots. With [Amplitude Analytics](#) and [Audiences](#), Jumbo created cohorts based on customers' on-site behaviors. It then generated personalized recommendations and messages encouraging them to further engage with the platform. Within two months of Jumbo's personalized recommendations, the company experienced a [158% lift in conversions](#) on one checkout page. That translates to an extra \$500,000 in new revenue opportunities yearly.

# What Are Marketing-Led and Sales-Led Tactics?

The main difference between product-led tactics and those of marketing-led and sales-led growth models? With PLG, the product does the talking – instead of the people. Both marketing-led and sales-led approaches rely on human interventions.



Example marketing-led and sales-led tactics and where they fall across the customer journey stages

# Growth Tactics Cheat Sheet

Use this cheat sheet to keep track of the various tactics across product-led, marketing-led, and sales-led motions.

	Acquisition	Retention (activation + engagement)	Monetization
Product-led	<ul style="list-style-type: none"><li>• Virality loops: word-of-mouth, incentives, collaboration invitations, and sharing experiences</li><li>• Network effects</li><li>• Product artifacts</li><li>• Content: editorial, support, programmatic, and user-generated</li><li>• Benchmark reports</li><li>• Product education</li></ul>	<ul style="list-style-type: none"><li>• Profiling questions</li><li>• Personalized and goal-based onboarding</li><li>• Social proof and use cases</li><li>• User progress charting</li><li>• Skills certifications</li><li>• In-product guides</li><li>• Push notifications</li><li>• Game mechanics</li><li>• Personalized experiences</li><li>• Communities</li><li>• Incentives</li><li>• Integration</li><li>• At-scale customer success</li><li>• Automated QBRs</li></ul>	<ul style="list-style-type: none"><li>• Trials: credit card, free, time-based, and consumption-based</li><li>• Freemium</li><li>• Reverse trial</li><li>• Use case awareness</li><li>• Product-led sales</li><li>• Pricing updates</li></ul>
Marketing-led	<ul style="list-style-type: none"><li>• Billboards</li><li>• Retargeting</li><li>• Regional events</li><li>• Digital advertising</li><li>• Awareness content</li><li>• Content syndication</li><li>• Industry conferences</li></ul>	<ul style="list-style-type: none"><li>• Email nurtures</li><li>• Product content</li></ul>	<ul style="list-style-type: none"><li>• ROI calculators</li><li>• Bottom-of-funnel content</li></ul>
Sales-led	<ul style="list-style-type: none"><li>• Client dinners</li><li>• Sales outbound</li><li>• In-person or remote demos</li></ul>	<ul style="list-style-type: none"><li>• Quarterly business reviews</li><li>• Customer success outreach</li></ul>	<ul style="list-style-type: none"><li>• Deal negotiation</li></ul>





# How to Measure PLG Tactics?

Once you employ any of these tactics, you'll want to know if they're working — and quantify their impact. Enter [product metrics](#), which show how users interact with your product. Your team can use these metrics to better understand what users find helpful, what keeps them coming back, and the best way to take them on a successful journey to becoming loyal customers.

These metrics align with the customer journey stages: acquisition, retention (activation and engagement), and monetization.

- **Acquisition metrics**, such as the number of new signups and qualified leads, cost of acquisition, and [payback period](#), measure when someone starts using your product or service.
- **Activation metrics**, including the activation rate and time to activate, show you how well you are moving users from acquisition through that critical “aha” moment, where they discover why your product is valuable to them and, in turn, provide value to your business.
- **Engagement metrics**, like monthly active users and feature usage, measure how (and how often) users interact with your product. Those interactions might include sharing a song or

editing their profile. Users who engage with your product are considered active users. Increasing the number of daily, weekly, and monthly active users is important for company growth — but only if you measure them right.

- **Retention metrics**, such as [retention rate](#), free-to-paid conversions, and churn rate, gauge how many users return to your product over a certain period. These are critical metrics for your company's growth. It doesn't matter how fast you fill the top of your funnel if users are leaking out the bottom just as fast.
- **Monetization metrics** — net revenue retention, monthly recurring revenue, and average revenue per user — capture how well your product is turning engagement into revenue.



CATEGORY	METRIC
<b>Acquisition</b>	Number of new signups and/or qualified leads
	Customer acquisition cost (CAC)
	Payback period
<b>Activation</b>	Activation rate
	Time to activate
	Free-to-paid conversions
<b>Engagement</b>	Monthly, weekly, and/or daily active users (MAU, WAU, DAU)
	Stickiness (DAU/MAU)
	Feature usage
<b>Retention</b>	Retention rate
	Churn rate
	Customer lifetime value (CLV)
<b>Monetization</b>	Net revenue retention (NRR)
	Monthly recurring revenue (MRR)
	Average revenue per user (APRU)



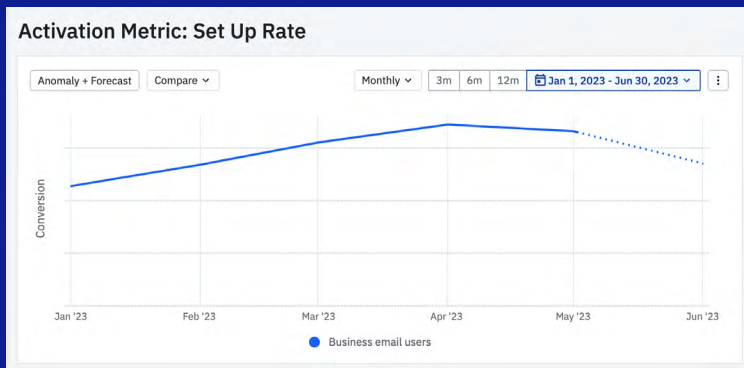
Download our [Product Metrics Guide](#) for more information on what each metric means and how to measure it.

Try our self-service [Product Metrics Dashboard](#) to see how you can easily track the metrics that matter to you.

## PLG at Amplitude: How we use metrics for growth

[Franciska Dethlefsen](#), Amplitude Head of Growth Marketing, has aligned her team around the following metrics:

- **Acquisition:** New relevant signups
  - Defined as the number of new signups (i.e., accounts created from business domains)
- **Retention (activation and engagement):** Number of activated accounts
  - Set up moment: defined as a successfully connected data source and the creation of a chart
  - “Aha” moment: defined as the saving or sharing of a chart
- **Monetization:** Free-to-paid conversion rate
  - Defined as the number of new paying customers divided by active free accounts during a rolling 28-day window



A [Funnel Analysis chart](#) showing Amplitude’s set up rate

Tracking the right metrics is critical to success for product-led growth. We have aligned our growth marketing and growth product teams around the same metrics, so we're always marching in the same direction.



[FRANCISKA DETHLEFSEN](#)  
Amplitude Head of Growth Marketing

# Why Is Experimentation Important for PLG?

While more process than tactic, experimentation plays an outsized role when putting a product-led growth motion into practice.

PLG represents a remarkable opportunity for product and growth teams to directly impact their organizations — and their bottom lines. But with that opportunity comes increased accountability. In a PLG model, product decisions count more than ever.

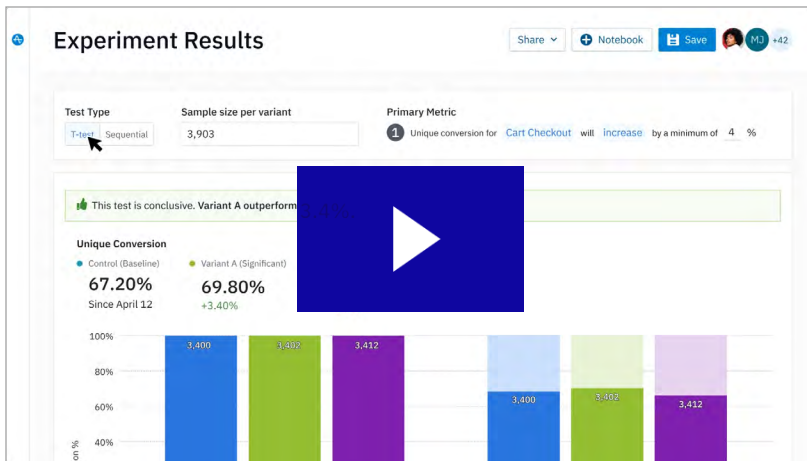
That's where experimentation comes in. Grounded in the scientific method, testing allows product teams to explore which new offerings will or won't resonate with users before rolling them out, saving time and money, and avoiding missteps that could cost them users. The alternatives come with considerably more risk. Even if making product decisions based on intuition or the opinion of the highest-paid person in the room sometimes yields positive results, there's no way to reliably repeat those results, particularly when you factor in changing markets.

Our PLG experiments are helping us find the balance between risk and benefit. And it's okay to start small. Small experiments and learning how to track success are great ways to build confidence in the levers for product growth, allowing you to make bigger bets later on.



[ALICIA CRESSALL](#)  
Growth Designer, Parabol

Experimentation is also an effective means of promoting a growth mindset that allows you to continuously refine your product knowledge rather than relying on assumptions. It bridges the gap between your perception and the reality of what customers need, which becomes especially important as you scale and it's harder to glean customer feedback.



Learn how to scale experimentation with [Experiment Results](#).

# NBCUniversal

## PLG in action: How NBCUniversal used experimentation to boost retention by 2x

When [NBCUniversal](#) launched a new app, it partnered with Amplitude for a complete view of the real-time customer experience. Equipped with this data, it was able to quickly run experiments and release changes to the in-app experience, including the homepage and video preview feature. The result? Its app homepage changes [boosted viewership by 10% and increased day-seven retention by 2x](#). And the video preview feature boosted video-start conversion by 36%.

## 7-step experimentation framework

Experimentation is only useful when it's done right. Experiments conducted ad hoc or without the necessary rigor can sink an entire program, causing organizations to abandon the practice altogether. A framework helps by ensuring your experiments benefit your users and, as a result, your business. To keep your experimentation program aligned with your organization's overall strategy, follow these seven simple steps from [Verna's experimentation framework](#).

### 1. Define a growth lever

For an experiment to be meaningful, it needs to matter to the business. Choose an area for your experiment that aligns with the growth lever that is a priority for your business: acquisition, retention, or monetization.

### 2. Define the customer problem

Define the problem the experiment addresses from a customer perspective. Often, the focus on product-market fit gets lost as businesses grow. To be effective, you need to evolve your understanding of that fit by anchoring your work to customer needs.

### 3. Develop a hypothesis

Next, define your interpretation of why that problem exists. You'll iterate on your hypothesis as you learn more. The first version of your customer problem and hypothesis gives you a starting point for experimentation.

### 4. Ideate possible solutions with KPIs

Come up with all the possible solutions that could resolve the customer problem. Create a way of measuring the success of each solution by indicating which [key performance indicator \(KPI\)](#) each solution addresses.

### 5. Prioritize solutions

Decide which solutions you should test first by considering three factors: the cost to implement the solution, its impact on the business, and your confidence that it will have an impact.

To weed out low-impact and high-cost solutions, prioritize your solutions in the following order:

- Low cost, high impact, high confidence
- Low cost, high impact, lower confidence
- Low cost, lower impact, high confidence
- High cost, high impact, high confidence

Different companies may attach different weights to these factors. For instance, a well-established organization with a large budget will be less cautious about testing high-cost solutions than a startup with few resources. However, you should always consider the three factors (cost, impact, and confidence of impact). Another benefit of experimentation is that it will help hone your ability to make a confidence assessment. After experimenting, check to see if the solution had the expected impact and learn from the result.

## 6. Create an experiment statement and run your tests

Collect the information you gathered in steps one through five to create a statement to frame your experiment. Let's say you're focusing on acquisition and notice a high drop-off on your homepage. Your statement might look like the following:

Accelerating acquisition is our priority, and our highest trafficked landing page — the homepage — is underperforming [growth lever] because our customers are confused about our value proposition [customer problem] due to poor messaging [hypothesis], so we will iterate on the copy [solution] to improve the visitor conversion rate [KPI].

Define a baseline for the metric you're trying to influence, get lift, and test.

”

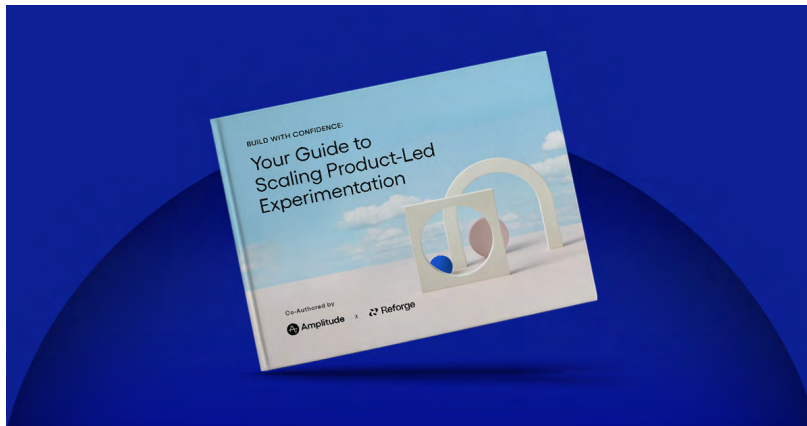
PLG is all about rapid experimentation across all funnel stages. Your experiments will fail more than they will succeed, but every learning will pay dividends to help you unlock your growth model. Your model may never be perfect, but you'll continue evolving it to make it better than it was yesterday.



[VARSHA NAGELE](#)  
Senior Growth Marketer, [Confluent](#)

## 7. Learn from the results and iterate

Based on the results from your tests, return to step two, update your customer problem and hypothesis, then keep this loop running. Stop iterating when the business priority (growth lever) changes (and set up your experiments around the new lever) or when you see diminishing returns. This might be because you've run out of solutions or don't have the proper infrastructure or enough resources to solve your customer problems effectively.



Learn how to implement an experimentation program in our [Guide to Scaling Product-Led Experimentation](#).

## Experiment brief templates

Good experiment design that adheres to the scientific method can go a long way in ensuring the most trustworthy results. Taking a templated approach makes that easy. It also democratizes the process and creates transparency around your experiment goals and next steps. That's important because everyone in your organization should be able to run sound experiments and access their outcomes.

Use [experiment brief templates](#) for each phase of your experiment, including planning, configuration, monitoring, and analyzing and deciding. The briefs can be categorized by date, user segment, website section, and platform. And most of all, they should be accessible.

# What Does PLG Look Like in Practice?

It's one thing to talk about PLG. But what does it look like in practice? Why do some businesses succeed — and why do others fail?

Often it comes down to whether teams clearly understand their role and the value their product provides users. On a practical level, that means investing in the analytics and research necessary to test hypotheses about those questions. Those teams “end up having the most creative approaches to allowing their product to drive growth for their organizations,” observes former Amplitude Product Analytics Lead [Storm Hurwitz](#).

He held up [dbt Labs](#), the maker of the analytics engineering tool dbt, as an example of a business getting it right. The organization broke through by creating a product that speaks directly to its users' top problem: making data modeling more flexible and accessible. Perhaps even more critically, Hurwitz noted, dbt labs knew prospective users “needed to experience it at volume before paying for it.” To do that, it offers a free version users can add to their stack before upgrading and phasing out their existing tool.

Of course, this is easier said than done; there are plenty of pitfalls when shifting from a sales-led to a product-led motion. Your monetization strategy, in particular, needs to shift as the key

## Ironclad

One market segment we focus on — SMB and mid-market, or companies with fewer than 1,000 employees — is price sensitive and hesitant to enter into traditional sales negotiations. They would rather go the ‘self-checkout’ route, trying Ironclad on their own and making a purchase with a credit card.



[NICK PAVLICHEK](#)

Senior Product Manager, [Ironclad](#)



indicators of value shift for users. In other words, your product needs to deliver as much or more value than the customer service you currently provide. Otherwise, you might run the risk of losing users.

Another misstep that might sink an attempt at going product-led: continuing to build for an enterprise user base. “If you don’t have an understanding of free users, you can’t drive PLG with them,” Hurtwitz says. Former Amplitude Principal Growth Manager [Andrea Wang](#) agreed, adding that free users won’t convert to paid if there’s little difference between pricing plans or the prices don’t land well.

But as with any strategy, there are limits. With PLG, businesses have to reckon with the smaller deal sizes. There’s a limit, after all, to how much people will buy with a credit card, as Amplitude VP of Global Marketing [Ashley Stepien](#) put it. And that’s where volume comes in.

“You have to drive far more users than an enterprise company that could maybe survive on doing ten deals a year because they’re seven-digit deals,” she says, “which is why it’s so important to create that alignment with sales,” and encourage them to see product-led growth “as a channel and not a limitation.”

Stepien also cautioned that a product-led approach can change the dynamic of customer relationships, making them more transactional and less enduring. The best way to mitigate that? Stepien urges businesses to cultivate a community around their products that keeps customers returning.

Instead of a “one-to-one relationship between a customer success manager and a customer,” she says, it’s a “one-to-many

relationship between a user and other users in the community” in the mold of [Webflow](#) or [Figma](#).

And sometimes, PLG is not the answer at all. If your organization isn’t ready, putting the strategy into practice can do more harm than good. Before adopting PLG, [consider the following conditions](#) from Verna. If any apply to your organization, hold off on implementing it:

- Current sales and marketing-led motions aren’t predictable.
- Customers can’t activate the product on their own.
- The product value isn’t immediately apparent.
- Enterprise buyers have all the decision-making power.

”  
It’s so important to create alignment with sales and encourage them to see product-led growth as a channel and not a limitation.



[ASHLEY STEPIEN](#)

Amplitude VP of Global Marketing

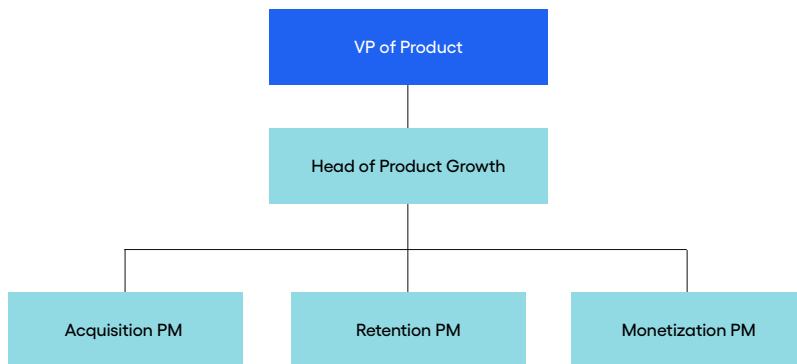
# How to Get Started with PLG?

## Organizational structure

What are the first critical steps businesses should take when adopting PLG? Before anything else, you should ensure your organization is set up for success. In Volume 1, we discussed where PLG fits within an organization. There are a few ways to approach this question:

### Product

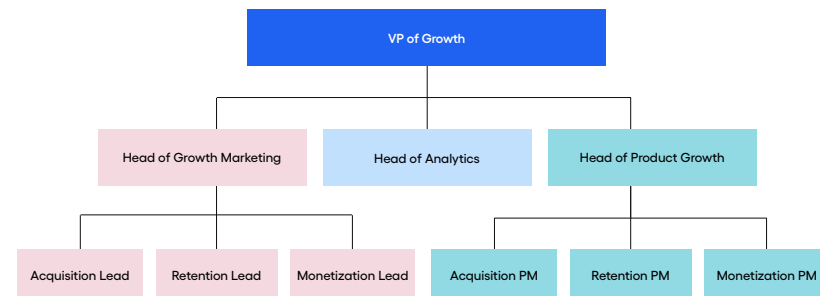
In this widely used model, the growth team reports to the product team. One benefit: team members report to managers in the same area of expertise. It also positions PLG as core to the product team's strategy.



### Growth

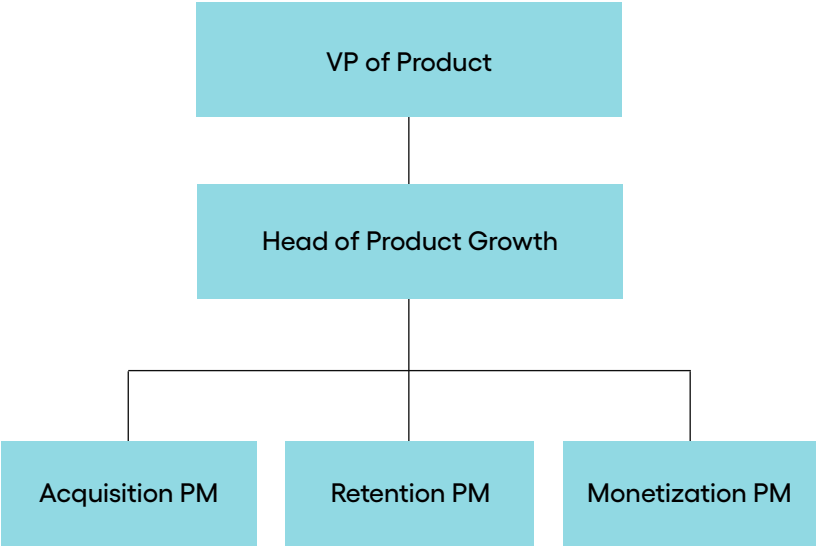
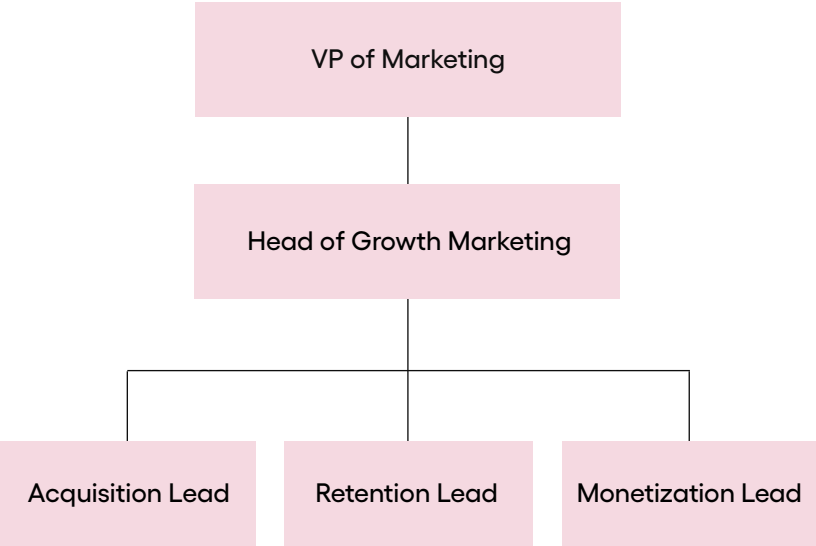
In this model, growth is its own department, with a VP of Growth overseeing a team that includes growth marketing, product growth, and, potentially, analytics — all responsible for self-serve revenue. This model helps ensure alignment among team members.

[Canal+ Poland Growth Director Bartłomiej Leszczyński](#) recommends this approach, adding that other organizations should allow a dedicated growth team to “work together with different teams to incorporate new methodologies and ways of working in the organization.”



# Dual Model

In this approach, which we use at Amplitude, several teams co-own growth across marketing and product. In our case, both teams report to the VP of Marketing and VP of Product, respectively. Shared product metrics help reinforce alignment.



# Technology

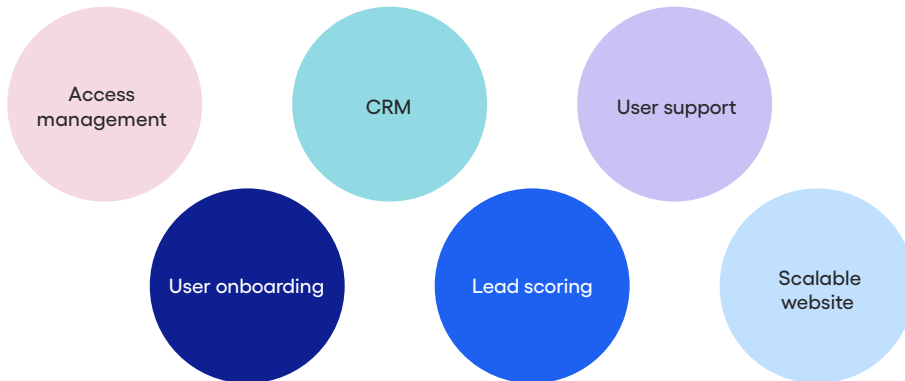
Another critical factor to getting started is implementing the latest technology, including a growth and [data stack](#):

## Growth stack:

- Access management
- User onboarding
- Customer relationship management (CRM)
- Lead scoring
- User support
- Scalable website

## Data stack:

- Event-data collection from first-party sources
- Data warehousing in the cloud
- Data analysis
- Data activation for personalized experiences



There are a lot of technologies that do part of what PLG requires, but Amplitude’s features and functionality have PLG at their core.



RACHEL HERRERA

Former Amplitude Sales Services Consultant



# Power PLG with Insights from Amplitude

PLG can be daunting. The approach is complex and requires a rethinking of practically every aspect of an organization's culture and operations. Amplitude can help you, providing essential insights into the customer journey and how to harness them for growth using the right tactics and metrics. Amplitude guides you to answer questions such as:

✓ Why do users get stuck, drop off, or become inactive?

✓ How can you turn new users into active, engaged ones?

✓ How can you identify and recreate power user behavior?

✓ What delightful product experiences breed customer loyalty?

✓ Which actions predict higher conversion and lifetime value?

✓ What are the stickiest features that bring users back repeatedly?

Use these insights to build products users love — and ones that grow your business. Learn more in [Product-Led Growth Volume 1: What Is PLG?](#) and explore your product-led customer journey with [Amplitude's free plan](#).



## Acknowledgments

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A special thank you to the following contributors:

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## About Amplitude

Amplitude is a leading digital analytics platform that helps companies unlock the power of their products. More than 2,100 customers, including Atlassian, Jersey Mike's, NBCUniversal, Shopify, and Under Armour, rely on Amplitude to gain self-service visibility into the entire customer journey. Amplitude guides companies every step of the way as they capture data they can trust, uncover clear insights about customer behavior, and take faster action. When teams understand how people are using their products, they can deliver better product experiences that drive growth. Amplitude is the best-in-class analytics solution for product, data, and marketing teams, ranked #1 in multiple categories by G2. Learn how to optimize your digital products and business at [amplitude.com](https://amplitude.com).





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Power to your products™