pendo × mind the PRODUCT

# Global product benchmarks

A deep dive into 9 modern product KPIs

# Product benchmarking: From trusting your gut to leaving peers in the dust

Competition is heating up in the age of AI. Global companies are transforming their products overnight. A new wave of startups have built machine learning (ML) models from scratch. And as PMs navigate their shifting responsibilities, they're also trying to build and ship features, faster than ever.

Without a data-first approach to development, PMs are acting on instinct rather than hard proof. Companies around the world let gut feeling guide their investments, and waste resources on unwanted features.

## Turn your team's focus from feature factory to strategic outcomes

The best product teams use analytics and benchmarking to direct their decisions. But in a sea of information, what KPIs should you focus on? How does product performance vary by country? Where are your peers excelling? And most importantly, what do these data points mean for your product's success?

Mind the Product's global benchmarks report explores modern KPIs all product-led teams must measure. Powered by anonymized Pendo data from 6,800+ applications, this report breaks down critical KPIs for today's products by company size, region, and industry. So you can understand product performance, find opportunities, and validate your decisions with data.

Here's a peek into this report's global findings:

→ On average, active users are growing 3% each month but the top 10% of large companies are growing active users **23x faster** than the average, each month

→ 6.4% of features are driving 80% of clicks, yet for best-in-class companies, this jumps to **15.6%**

→ Asia Pacific and Japan have the stickiest products, across **every** percentile

→ Users spend **2.2x** time on web applications over mobile applications

**Want more personalized benchmarks?**

Our interactive product benchmarks tool lets you filter and compare benchmarks by industry, company size, and geography. Start assessing your product's performance with your peers and competitors at pendo.io/product-benchmarks.

# Methodology

In this report, we've explored anonymized data* from 6,800+ applications across 2,500 companies on the Pendo One platform. We dive into how products perform across nine strategic areas, with a breakdown into each benchmark's insights by region and industry.

**We categorize performance across four brackets:**

- **Low:** 25th percentile
- **Average:** 50th percentile
- **High:** 75th percentile
- **Best-in-class:** 90th percentile

## Industries

- **Software**
- **Business Services, Holding Company**
- **Financial**
- **Consumer Goods & Services, Food**
- **Media, Entertainment, Telecommunications**
- **Government, Organizations, Non-Profit, Education**
- **Manufacturing, Construction, Utilities**

## Company sizes

- **Small:** 1–199 employees
- **Medium:** 200–2,499 employees
- **Large:** 2,500+ employees

* Quantitative data for the 2024 Mind the Product Benchmarks Report is from analysis of aggregated and anonymized product data from a sample of Pendo customers from May 1, 2023 to March 30, 2024. Pendo customers that opted out of anonymous data sharing were excluded from this analysis.

# Table of Benchmarks

# Monthly active user growth



# Monthly active user (MAU) growth rate is the percentage change in the number of active users coming to your product.

Typically a leading indicator of revenue, MAU growth helps product teams understand if users benefit from your product. Spikes in user growth may reveal a runaway product success, while sudden drops may expose issues in your application, like bugs or outages.

You can measure active user growth over day, week, or month. In this report, we measure MAU growth over six months.

> **An 'active user' is anyone that interacts with your application during a period.**

# Best-in-class products are adding MAUs 18x faster than average

Across industry, company size, and region, MAUs are growing by an average of 3%. In other words, products with 100 users will add three new ones at the end of six months.

High MAU growth is 18%, and the top 10% of products are growing MAU by 54%.

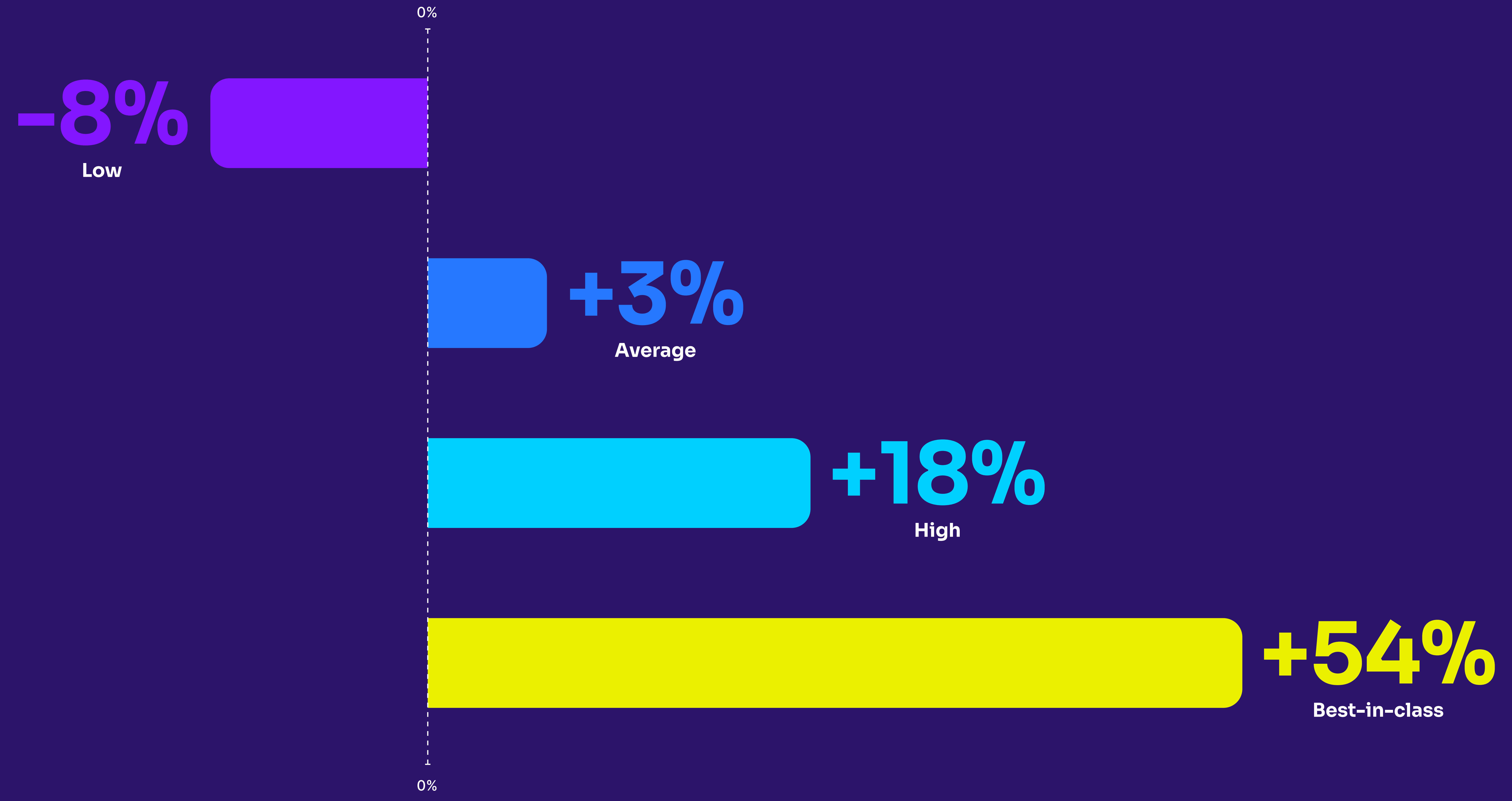
While an average of 3% MAU growth may seem low, this all depends on your market's saturation and the behaviors of your target audience.

## How we measured MAU growth

To measure MAU growth, we subtract end-of-the-month users from beginning-of-month users. Then, we divide that number by active users from the start of the month. This report looks at six-month MAU growth.

$$\text{MAU Growth} = \left(\frac{\text{MAU}_{\text{Month 6}} - \text{MAU}_{\text{Month 1}}}{\text{MAU}_{\text{Month 6}}}\right)$$

### Six-month MAU growth by percentile



# Active user growth all depends on your industry

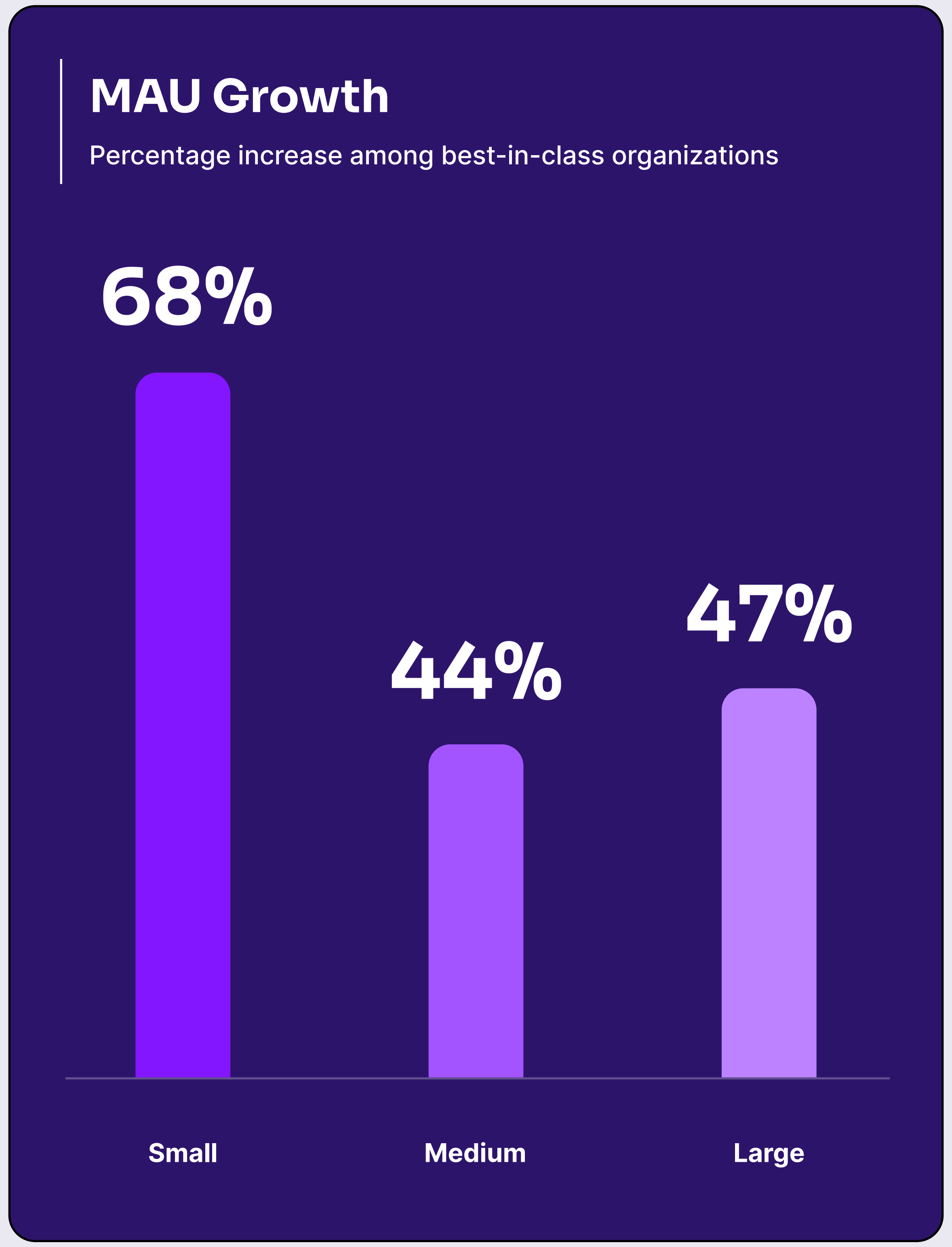
On average, Manufacturing (5%) and Consumer Goods (7%) are adding the most active users. Meanwhile, Media (-4%) and Government (-5%) are losing the most active users. Surprised? Manufacturing may have fallen behind the digital transformation curve, and their legacy processes saw major improvements during the pandemic's digital acceleration.

## MAU growth by industry

| Industry | Low | Average | High | Best-in-class |
|---|---|---|---|---|
| Business Services, Holding Company | -7% | 3% | 20% | 56% |
| Consumer Goods & Services, Food | -7% | 7% | 23% | 88% |
| Financial | -6% | 2% | 19% | 65% |
| Government, Organizations, Non-Profit, Education | -23% | -5% | 6% | 31% |
| Manufacturing, Construction, Utilities | -4% | 5% | 20% | 65% |
| Media, Entertainment, Telecommunications | -19% | -4% | 10% | 39% |
| Software | -7% | 3% | 17% | 47% |

## Big, best-in-class organizations are growing 23x faster than average

Companies with more than 2,500 employees have higher MAU growth, on average. Though large companies may already operate within a saturated market, they also have more resources to acquire new users—via marketing, sales, and growth teams. Bigger budgets, brand recognition, and a drumbeat of new features all uplift MAU growth.



# Four ways to increase active users

## 01 Capture and apply user feedback

Listen to your users and add their ideas to your roadmap. This is the easiest way to create products that delight and engage your users.

## 02 Educate users in-app

From onboarding to day 365, show the value of your product via in-app guides, walkthroughs, resource centers, and other tools.

## 03 Segment communications

Gather information about your users, and create segments by role and share relevant resources.

## 04 Offer freemium and free trial offerings

Product-led organizations rely on their product, rather than marketing methods, to drive user growth. An easy way to add and convert users is with a lower-friction offering.

**"Taking a phased and thoughtful approach [with Pendo] has helped us really understand what our customers are needing and wanting, and where we can make a big impact."**

**Katie Pedroza**

Senior manager, customer adoption and retention

Adobe

# User retention

# User retention measures how many first-time visitors or accounts return to your product during a window of time.

We've all interacted with a product that didn't live up to its promises. From mis-set expectations to poorly placed paywalls, users may leave for many reasons.

If you can't keep customers, you're hurting your company's revenue. It's that much more important to deliver a digital experience that keeps your users engaged with your product for the long haul. On the flip side, happier customers are more likely to stick around and become advocates. From expanding within satisfied accounts to word-of-mouth referrals, keeping customers is simply good for business.

> **There are two types of retention: User retention, and customer retention.**

# Over three months, products lose 70% of users

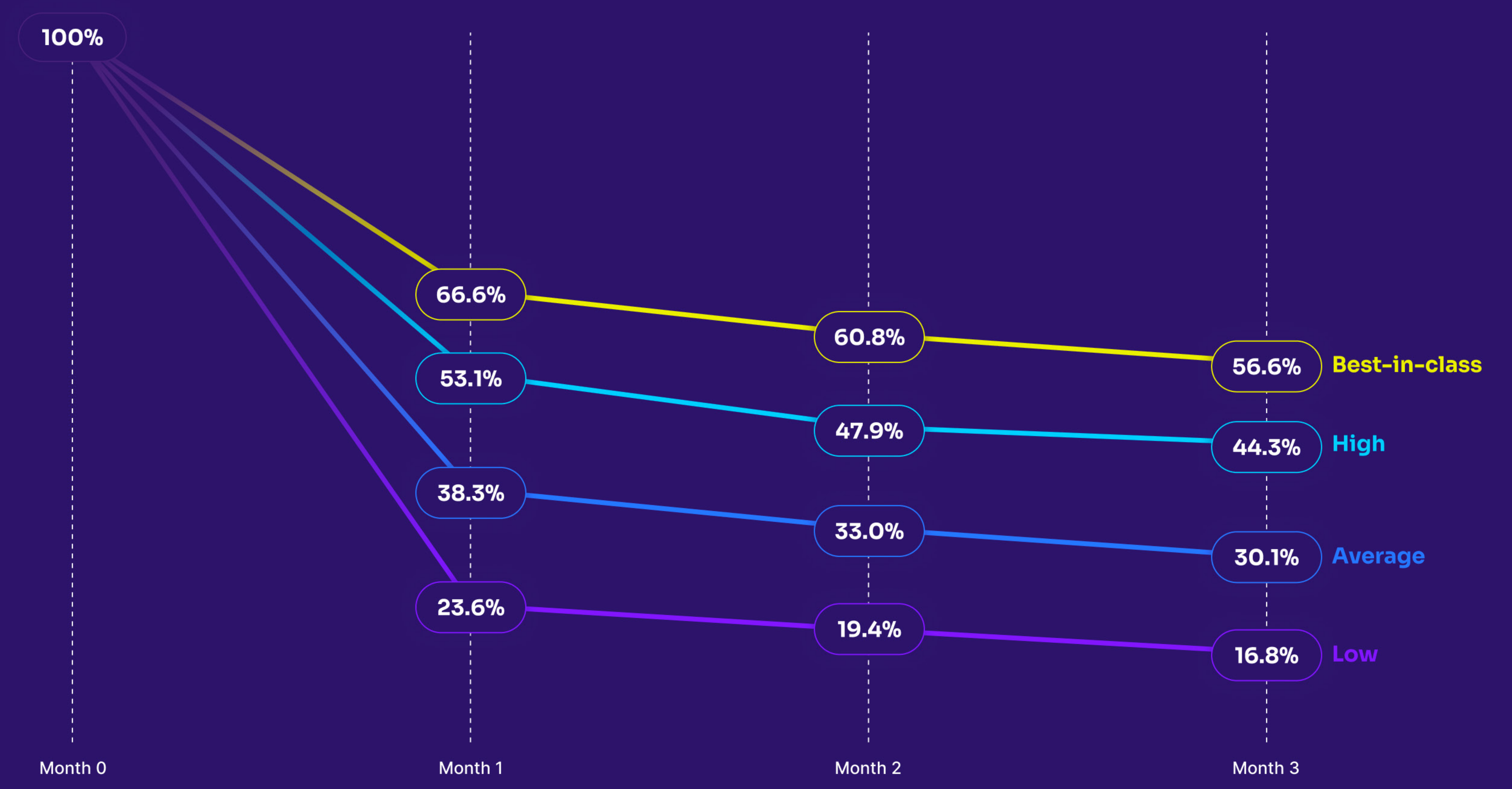
Products keep 38.8% of users after one month, on average. After three months, about 30% of users are still returning to the product. For every 100 active users you add, 30 will stick around (and 70 will leave) after three months. For a new product, a one-month retention rate of 38.8% indicates that your product adds value to users. For an established product, this might reveal underlying functionality issues.

Best-in-class products retain 1.7x as many customers in month one, 1.8x customers in month two, and 1.9x customers in month three, than average.

## How we calculated user retention rate

We measure user retention by counting new visitors, and if they returned in month one, two, and three after the month of their first visit. If a user first visits your product, we see if they return within 30 days (month one), 30 to 60 days (month two), or 60 to 90 days (month three).

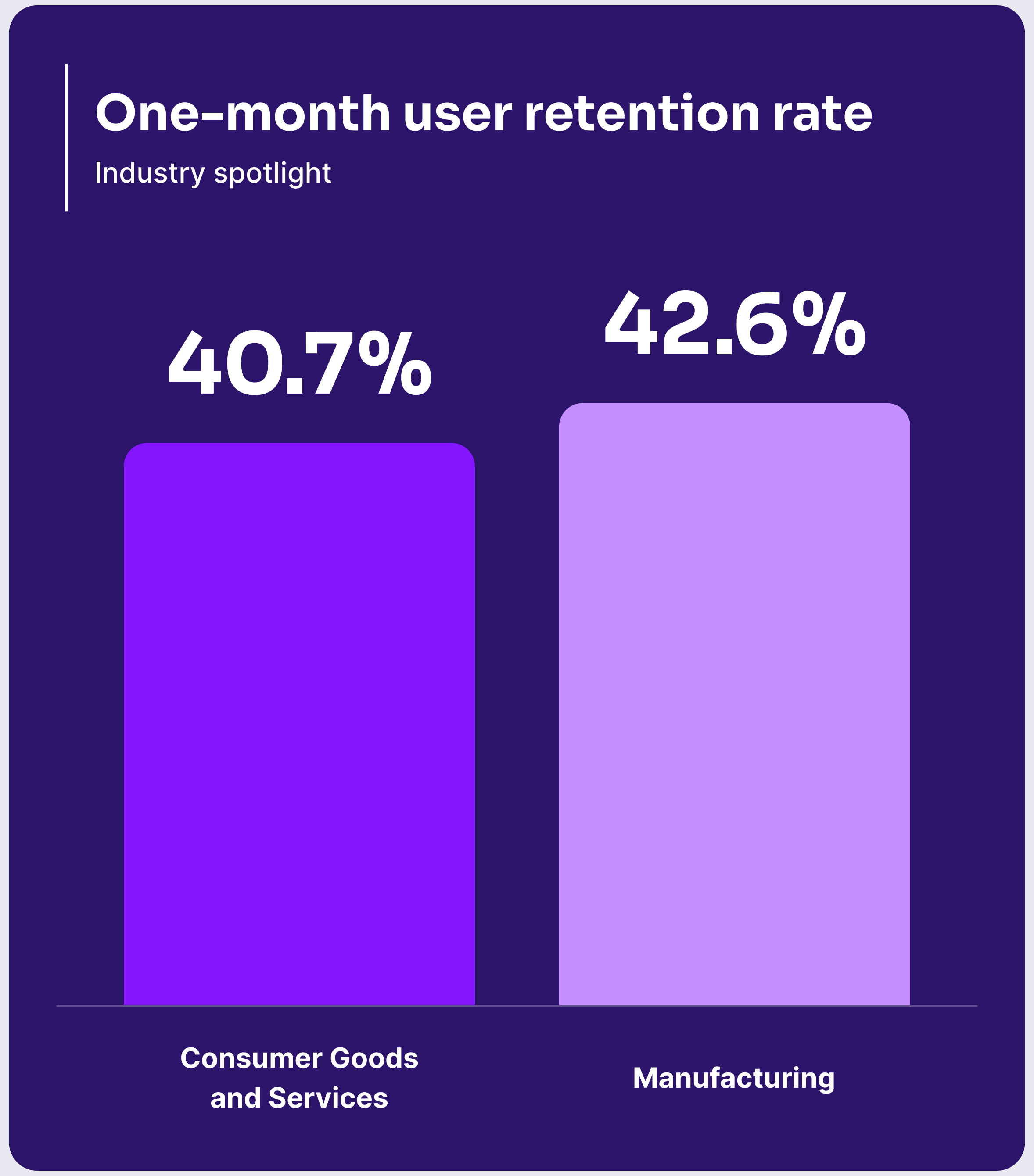
Three-month user retention rate by percentile



## Manufacturing and Consumer Goods have the highest user retention

Industry has a major impact on your product's user retention. Manufacturing is in the lead, followed closely by Consumer Goods and Media. Products in the Financial and Government sectors are having the hardest time bringing customers back after one month.

If your product is a free game, a retention rate of 39.2% means users are finding your product enjoyable. However, for a productivity app, this retention rate may flag potential issues.





## Users stick around more with smaller companies

Companies with fewer than 200 employees have higher user retention after month one and two, on average. But after month three, large companies win. After one month, small companies retain 40 customers for every 100. In month two, they retain 34. In month three, they retain an average of 16.7 users.

# Improving retention revolves around guidance

## 01 Simplify user onboarding

When a new user logs into your product, highlight your core features, offer product walkthroughs, and link out to your resource center. See how five product teams are improving onboarding.

## 02 Continue to add value

Nurture customer relationships even after they've gotten the hang of your application. Use in-app messaging and widgets to create a product environment where users are always learning and uncovering features, at their own pace.

## 03 Put your product analytics to work

You can't improve retention without defining the problems. Look at your product's qualitative, quantitative, and visual data across different user segments. Session replay, product analytics, and feedback capture tell you what your top users are doing so you can guide at-risk customers to value.

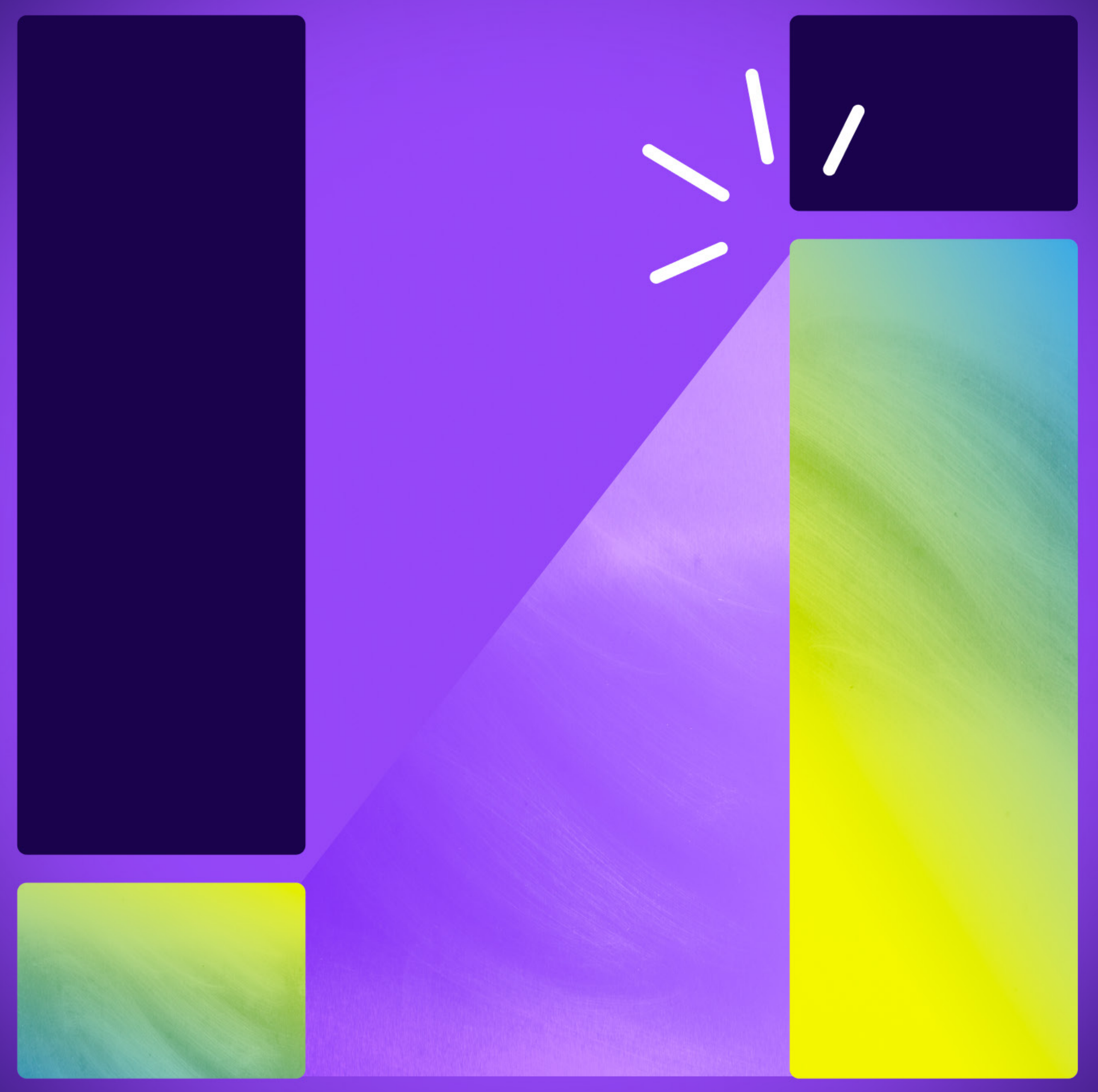
**"Being able to bring learning and help to users at the right points has been key not only for us to keep them as customers but for them to get the most out of Jungle Scout at the biggest friction points."**

**Danny Villareal**
Director of CX

Jungle Scout

# Feature adoption

Are users discovering the value of your product and its core tools?





# Feature adoption measures the percentage of features that generate 80% of events within your product.

The shift to subscription-based pricing models puts added pressure on teams to deliver product experiences that keep users engaged for the long haul. Otherwise, come renewal time, there's not much stopping customers from abandoning your application and finding an alternative.

By understanding how (or if) customers use specific features, you'll get a clear view of if those features are achieving their goals.

> **Many products suffer from feature sprawl. Depending on your industry's average feature adoption, you may decide to focus on improving adoption around your most important tools.**

# Best-in-class products have 2.5x higher feature adoption than average

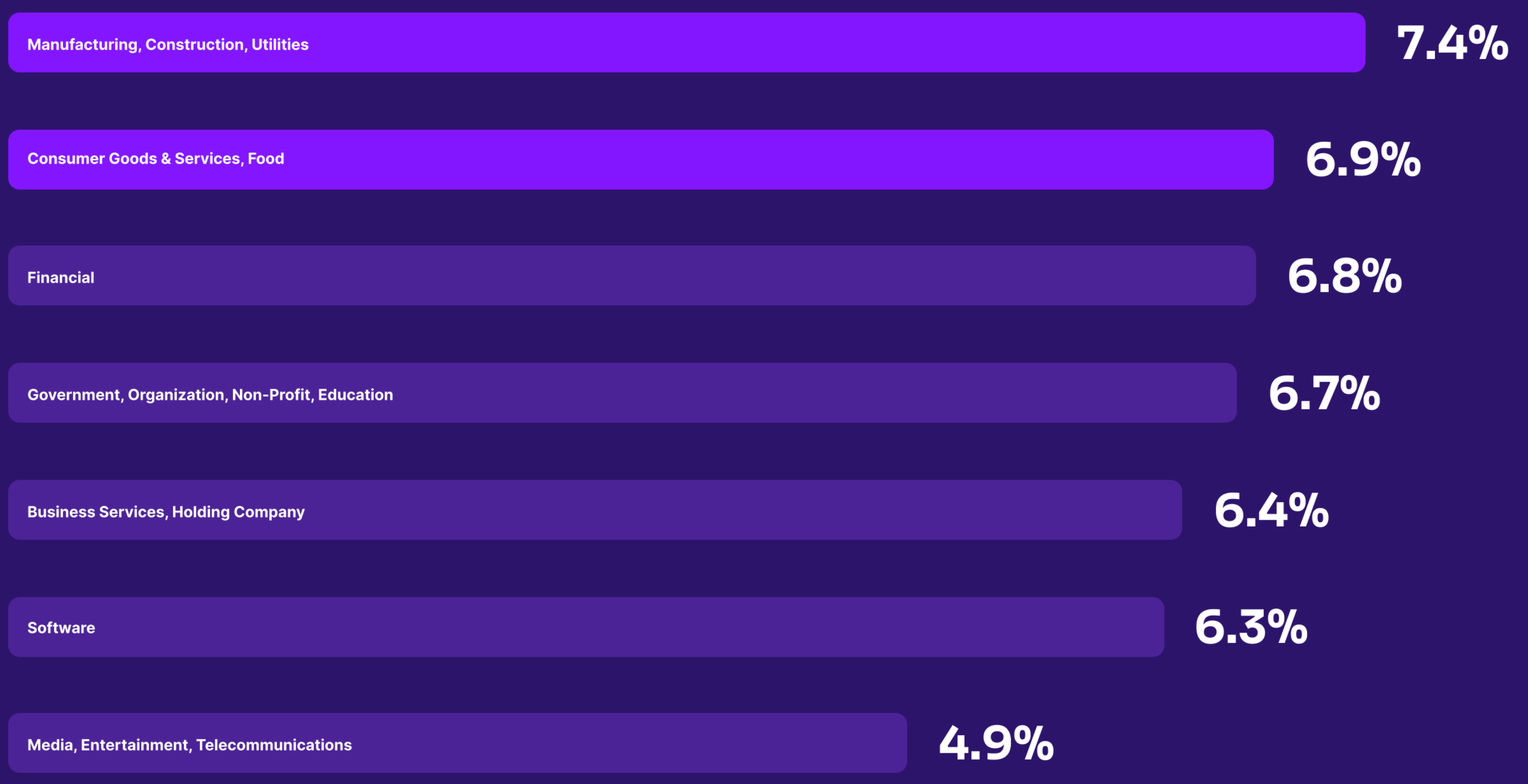
For every 100 features, 6.4 of them are driving 80% of click volume. For best-in-class companies, feature adoption jumps up to 15.6%.

Manufacturing and Consumer Goods have the highest feature adoption, on average. Products in Media are slightly lower, at 4.9%. A product in Business Services with a 6.4% adoption rate may be a success. However, 6.9% feature adoption for a social media app's new messaging feature might ring some alarm bells.

## How we measured feature adoption

We measure feature adoption by tracking how many features generate 80% of a user's click volume.

Average feature adoption by industry




## Smaller companies are winning in every percentile

Companies with fewer than 200 employees have the highest feature adoption rate, at an average of 7.4%.

This may be because smaller companies are in the earlier stages of product expansion, and their Core Events often compose more of their product. On the other hand, larger companies have a sprawling product ecosystem, with more resources to expand and enhance features.

# Four ways to exceed feature adoption benchmarks

## 01 Make adoption easy and continuous

It should be as easy as possible for customers to find and use features. Once you've announced a new feature, create in-app walkthroughs to guide users through the desired steps—especially for features that require multiple steps in the workflow.

## 02 Announce new features in-app

One of the best tools to promote features is your product itself. When you announce features in-app via guides or **tooltips**, you reach users when and where the message is most relevant.

## 03 Make the value and desired action clear

As you create **in-app messages** or other content about features, use straightforward language that clearly communicates its value. Then, point users to the next action you want them to take (like watching a guided demo).

## 04 Target your communications

Not every feature is relevant to every user. Create segments within your product experience platform by role, permissions, and technical proficiency.

**"[In-app guides] have been really effective not only in communicating, but also in reducing support calls about how a screen changed, and the user can't find things. Now, they can take a tour anytime they want to refresh their memory."**

**Liz Feller**
Manager, design systems & analytics

nelnet

# Stickiness

Do your users keep coming back to use your product each month?



# Stickiness measures how many users return to your product daily, weekly, and monthly.

Popularized by social media, communication, and gaming software, stickiness ratios have become widely valuable to every market. While companies may buy B2B products, you're still building for people.

Product stickiness is a leading indicator of retention and reveals how engaged your users are. Save for the rare product that's only meant to be used one or two times a year (like TurboTax), every PM wants users to continue engaging with and finding value in their product.

> **In this benchmark, we measure stickiness by week and month.**

# The top 10% of products are 1.5x stickier each month

On average, 53% of users will engage with products at least one week out of a month, and 16% engage with products at least once per 24 hours. That means over half of users find the product valuable, and have built enduring habits with products.

For best-in-class companies, weekly stickiness jumps to 77% and daily stickiness is 38%. That means more than ¾ of users will log in on any given week, and nearly 40 out of 100 users will log in on any given day.

## How we measured stickiness

In this report, we calculate stickiness by week and month:

### Weekly stickiness

Look at weekly stickiness if your active users perform infrequent tasks or maintenance, and don't need to engage with your product daily. Think: Expense management tools.

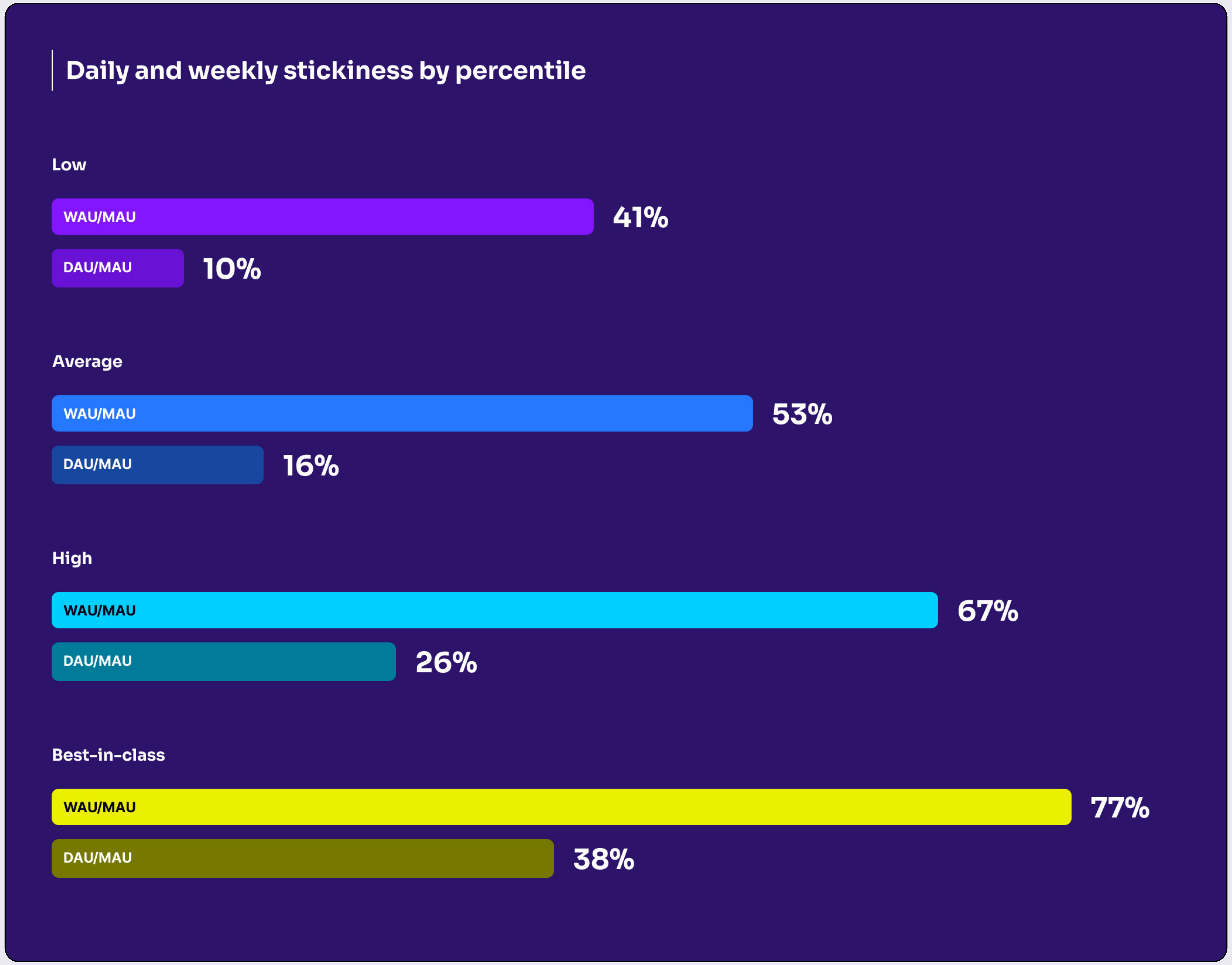
$$\left(\frac{\text{Weekly Active Users (WAU)}}{\text{Monthly Active Users (WAU)}}\right) \times 100\%$$

### Daily stickiness

Look at daily stickiness if your active users need your product daily, like a productivity or messaging application.

$$\left(\frac{\text{Daily Active Users (DAU)}}{\text{Monthly Active Users (WAU)}}\right) \times 100\%$$

**Within Pendo, an "active" visitor or account includes any event recorded during a defined period.**

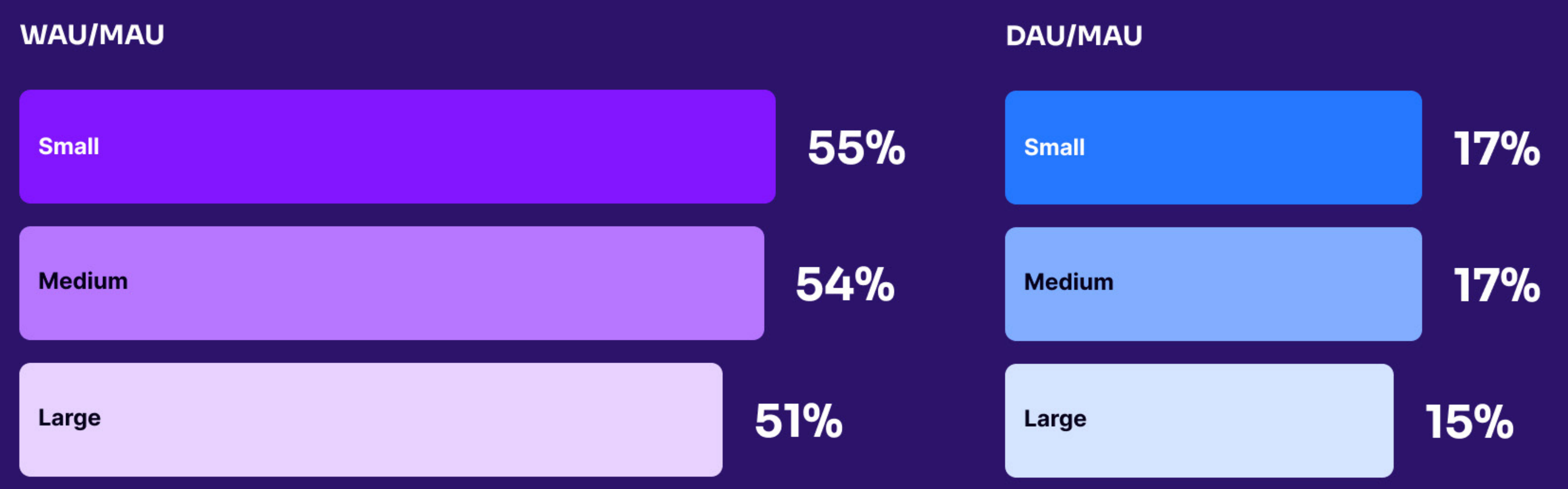


# Stickiness 🤝 feature adoption, regardless of size and industry

Small companies are sweeping the floor. Companies with 200 or fewer employees have the stickiest products, at 17% daily stickiness and 55% weekly stickiness. For a relatively new product or smaller company, this is a promising sign and indicates that users are highly engaged.

Industries with the “stickiest” products, on average, include Manufacturing (55%) and Consumer Goods (55%). These industries also have the highest average feature adoption and retention—so as users get more value from your features, they’re more likely to keep returning to your product. Products in the Government and Education space are the least sticky, on average.

### Average stickiness by company size




## WAU/MAU

| Industry | Low | Average | High | Best-in-class |
|---|---|---|---|---|
| Business Services, Holding Company | 41% | 53% | 66% | 77% |
| Consumer Goods & Services, Food | 41% | 55% | 70% | 82% |
| Financial | 38% | 52% | 68% | 79% |
| Government, Organizations, Non-Profit, Education | 35% | 46% | 58% | 71% |
| Manufacturing, Construction, Utilities | 45% | 55% | 65% | 73% |
| Media, Entertainment, Telecommunications | 39% | 53% | 66% | 79% |
| Software | 41% | 54% | 66% | 77% |

## DAU/MAU

| Industry | Low | Average | High | Best-in-class |
|---|---|---|---|---|
| Business Services, Holding Company | 10% | 17% | 26% | 37% |
| Consumer Goods & Services, Food | 11% | 18% | 30% | 43% |
| Financial | 9% | 15% | 26% | 38% |
| Government, Organizations, Non-Profit, Education | 8% | 12% | 20% | 32% |
| Manufacturing, Construction, Utilities | 12% | 18% | 28% | 34% |
| Media, Entertainment, Telecommunications | 9% | 16% | 28% | 40% |
| Software | 10% | 17% | 26% | 39% |

# How to make your product stickier

## 01 Encourage engagement

Add features and communications that increase daily interactions, like notifications, emails, and other triggers.

## 02 Promote the behaviors of engaged users

Ask your most engaged users what they value most and what could be better. Then, encourage other users to adopt the same features and workflows.

## 03 Understand what's hurting stickiness

Watch visual data of your least and most sticky users to understand their behaviors. Then, use in-app guides and walkthroughs to help build habits and uncover value.

## 04 Use in-app guides to speed up "aha!" moments

The faster you can add value to your users, the more likely they are to return.

**"[Oftentimes, these users] might just follow what others have told them, and that's it. So we've been working hard to improve their adoption and stickiness in our products. We're using guides in different places ... and trying to increase our users' knowledge of every feature and module."**

**Bala Rajesh**
Associate product director

darwinbox

# Time to value

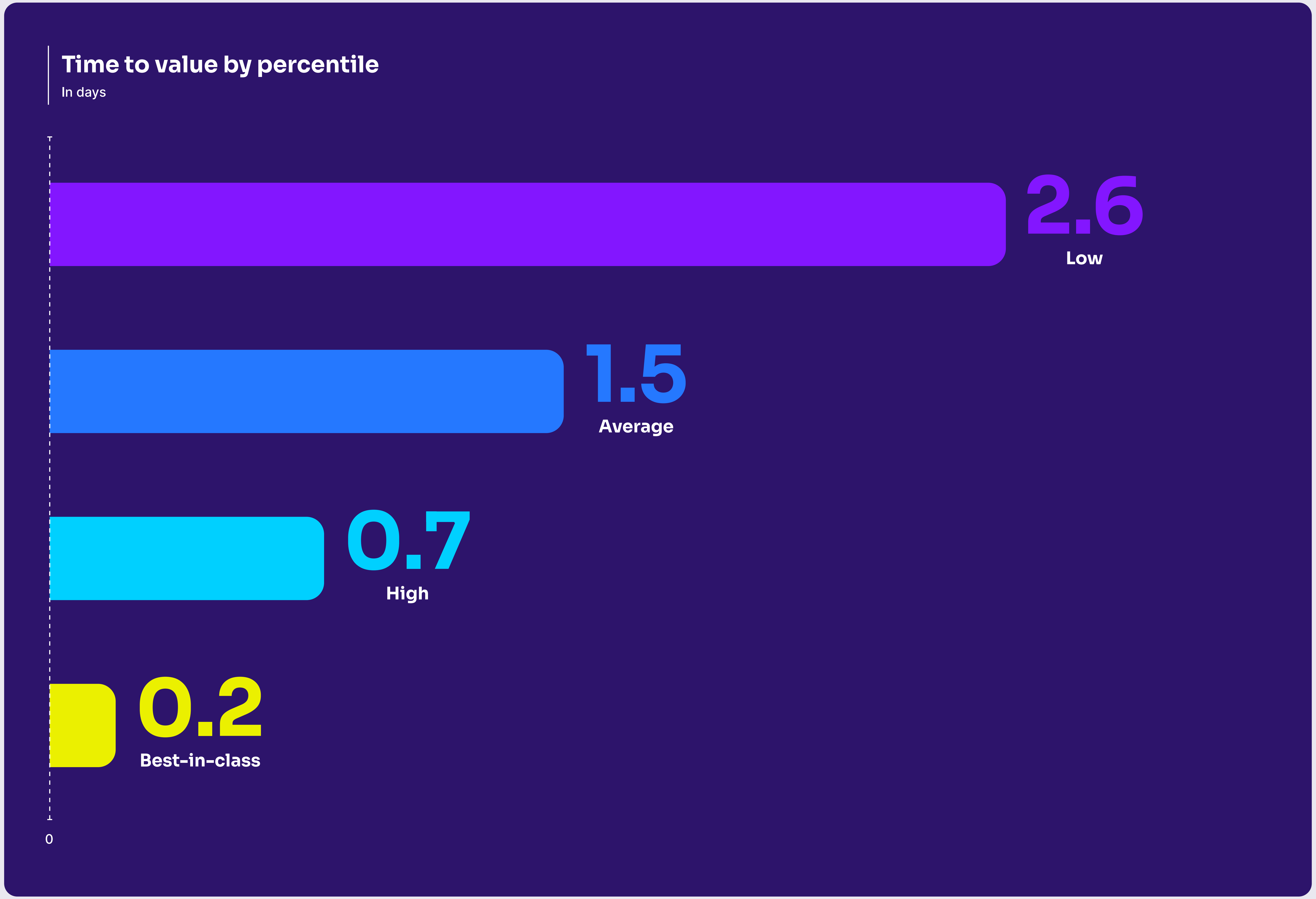
# Time to value (TTV) measures how many days a customer takes to get value from your product.

First impressions are everything. Now, you have the data to prove it. A core tenant of product-led growth, think of TTV as the first “aha” moment in your product experience.

No matter how many shiny new features are on your roadmap, users won’t stick around if they don’t immediately see the benefits of your product. There’s not much stopping them from abandoning your product if they don’t understand how it helps them meet their goals.

# Users reach their “aha!” moments 7.5x faster with best-in-class products

It takes users 1.5 days to see and experience the value of a digital product, on average. The top 10% of companies have perfected the art of first impressions with a TTV of .2 days—that’s only 4.8 hours!




## How we measured TTV

We anchor TTV around Core Events, which are the ten (or fewer) key features in a product. In this report (and in Pendo), we measure TTV in days. This timer begins when a user first logs in, and keeps running until they log back in and accomplish their top core event. If your TTV is 2.1, users are taking 50.4 hours to achieve a Core Event.

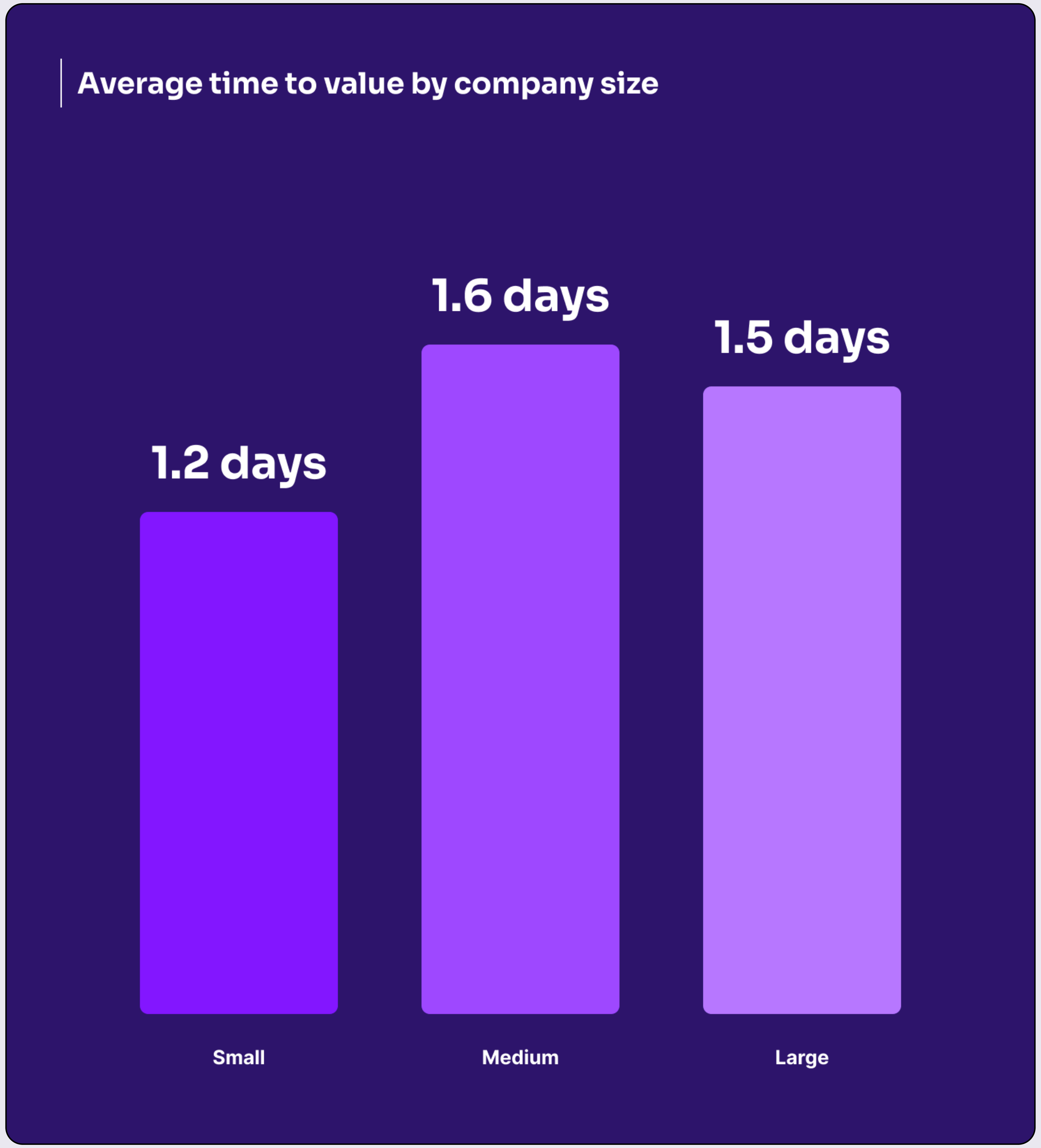
Ideally, your product analytics tool tells you the average, minimum, and maximum time it takes visitors to first interact with a Core Event.

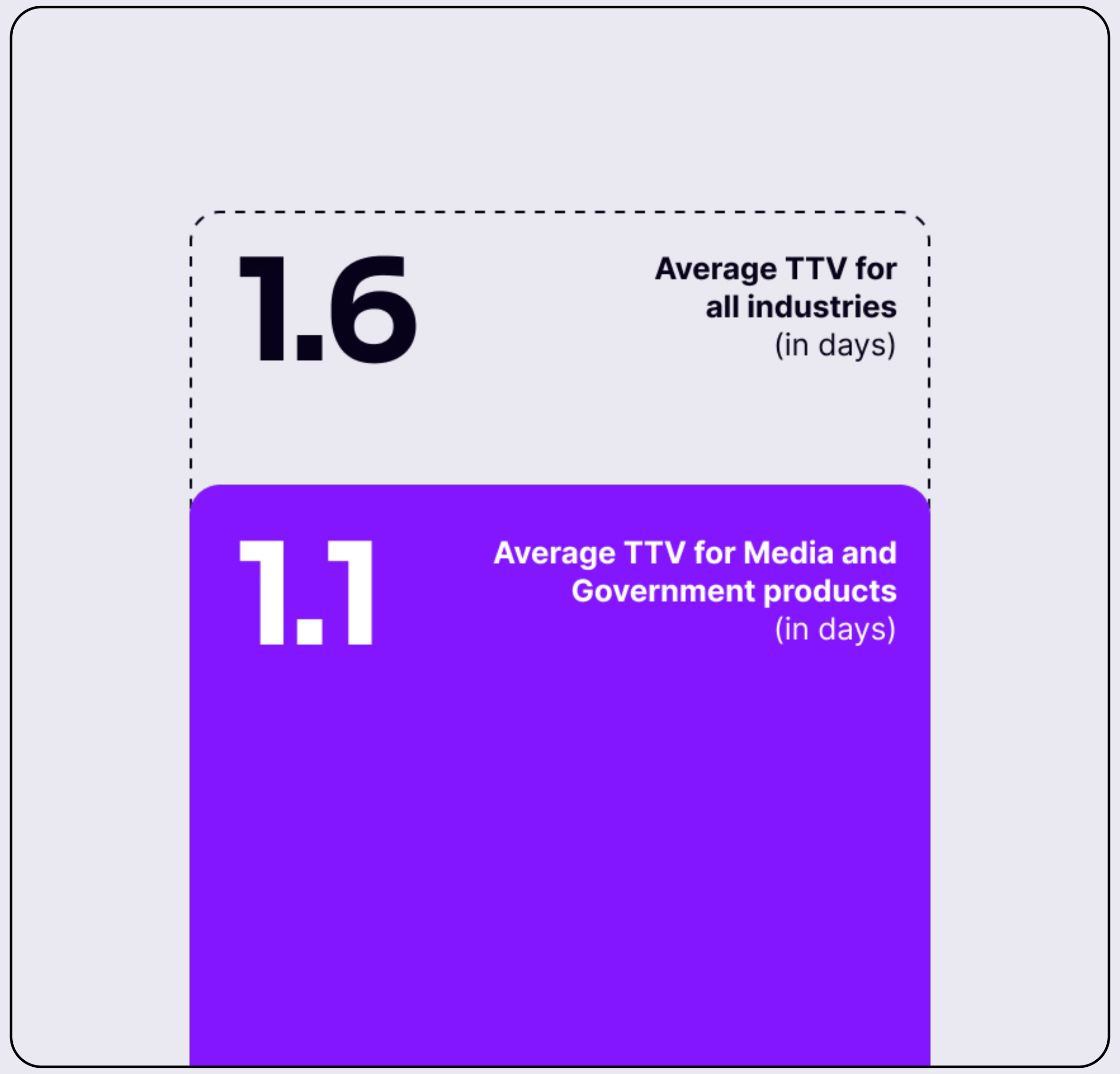
**Unlike other product benchmarks in this report, a lower TTV is better.**

## The top 10% of large companies have a 12x faster TTV than average large organizations

Onboarding, continuous education, and customer listening are non-negotiables when improving TTV.

As products and user counts grow, organizations usually have more resources to devote to user research, analytics, and user experience (UX) improvements. Organizations also put more focus on guiding users to what they need as products grow and retaining customers.




## Media and Government products are racing for fastest TTV

Across industries, products in the Media and Government space have the shortest TTV. It takes the average user 1.1 days—or 26.4 hours—to achieve their “aha!” moment. While Media applications may be simpler to learn and use, products in the Government space may have more resources and support.

# Tips to speed up “lightbulb” moments

## 01 Automate and optimize onboarding

Lead users directly to their “aha!” moments with timely, relevant, and contextual guides. Using in-app communication to steer users to Core Events for a faster TTV (and also speeds up onboarding).

## 02 Dig into your qualitative, quantitative, and visual data

Users who don’t find value in your product fast enough are at risk. Explore your product analytics, session replays, and feedback to pinpoint where at-risk users are getting stuck.

## 03 Promote the behaviors of users with a short TTV

When you notice a short TTV in your product data, learn as much as you can about these users. What patterns do you see? Do these users share a common job title or admin level? Then, replicate positive in-app behaviors with the rest of your users, and partner with PMs and customer support to update onboarding.

## 04 Lower friction with in-app guidance

Once you’ve identified issues, you might need to flag issues for a fix to the product team via your roadmaps, or deploy in-app guides to help new users get through important workflows.

## 05 Get product-led certified

TTV is a core tenant of **product-led growth**. Learn how to improve this benchmark in Pendo’s product-led growth certification course.

**“We [used in-app guides] explore multiple customer journeys to truly understand where they were getting stuck. We made sure that the styling, and the way we deploy that information, would be familiar to users and also fit to the domain it was presented in.”**

**Tommy Rahardjo**
Senior digital CX and capabilities manager

ELSEVIER

# Time on app



# Time on app shows how many minutes, on average, a visitor spends on any page within a specific app.

Time on app is a constant push-and-pull between users and PMs. While a higher time on app doesn't always mean more growth, it's crucial to understand engagement, product performance, and user satisfaction. The more time users spend with your product (and the faster they get value from it), the more likely they are to continue using your product, and the less likely they are to leave.

There are multiple ways to examine time on app:

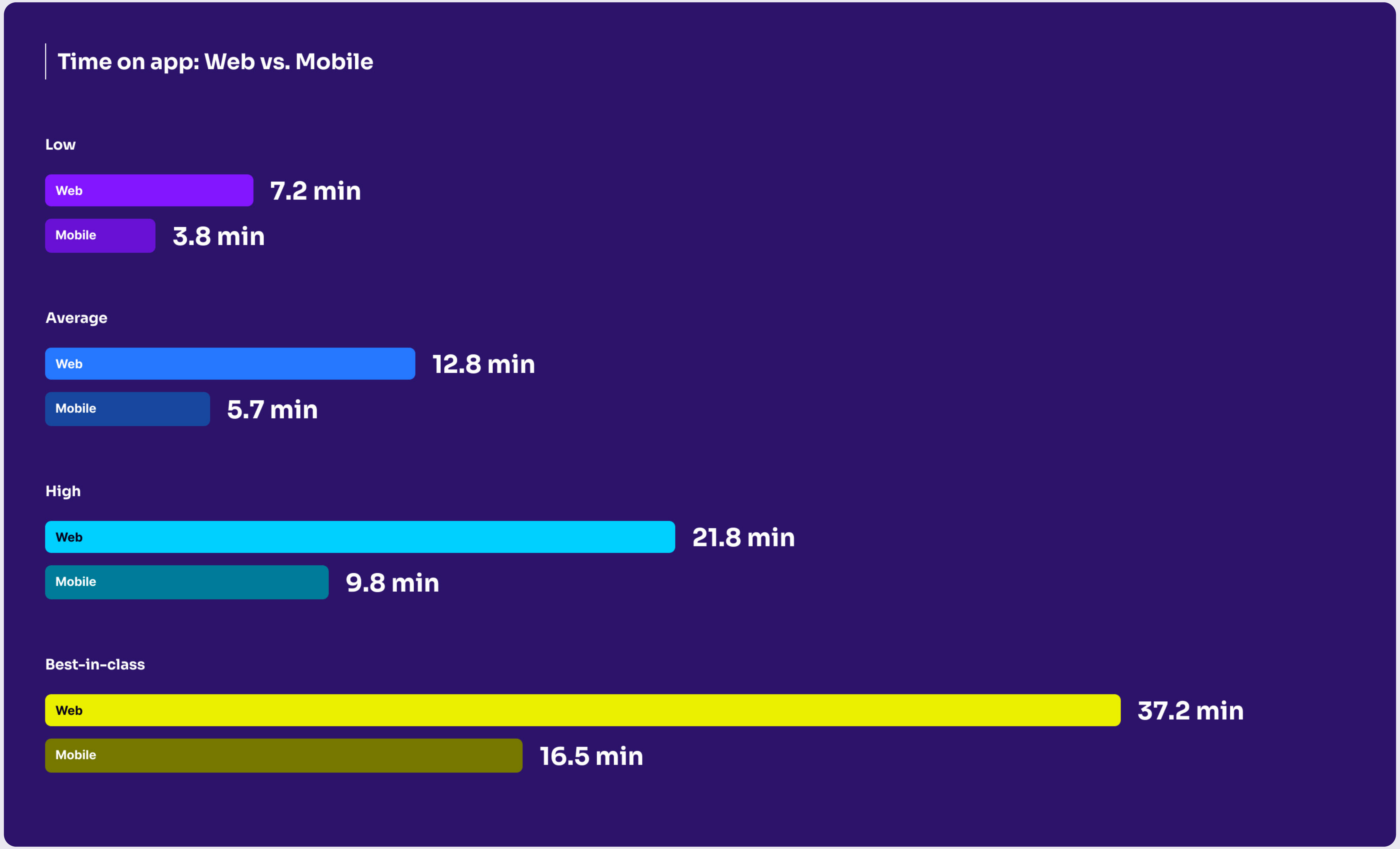
1. **If you have a higher time on app,** that may be because you have a longer TTV or stronger user engagement.
2. **If you have a lower time on app,** you may have a faster TTV, or users aren't finding the app engaging.

Lean into your visual, qualitative, quantitative data when interpreting this benchmark.

# Users spend 2.2x more time on web apps than mobile ones, on average

This may be due to the nature of work performed on web apps throughout a work day—we all know (and may be) someone that bounces between endless browser tabs each day. With mobile apps, users are more likely to open your product, perform your task, and then exit.

Best-in-class products have a **3x higher** average time on app than average, regardless of web or mobile app




## How we measured time on app

To calculate how much time visitors spend in your app, we track user activity in one-minute increments. Each new minute where users interact with your app, whether it's a click, focus, or any other browser event, adds another minute to their total time. This way, we only count the time when they are actively engaged with your product.

$$\text{Time on app} = \left(\frac{\text{All active minutes on app}}{\text{Unique users}}\right)$$

## Productivity vs. pleasure: How industry impacts time on app

Your audience and context impacts time on app. Web-based applications in Manufacturing (15.2 minutes) have the highest average time on app, which may reflect utility-focused tasks and longer, complex workflows.

Financial products have the lowest time on app, on average, at 4 minutes. But that doesn't mean that the product isn't performing well—on the contrary, a low time on app for Financial products can indicate a sleek, efficient tool. After all, it doesn't take long to check our balance, pay a bill, or monitor transactions.

### Time on app: Web (minutes)

| Industry | Low | Average | High | Best-in-class |
|---|---|---|---|---|
| Business Services, Holding Company | 7.4 | 12.4 | 21.4 | 36.1 |
| Consumer Goods & Services, Food | 6.9 | 12.1 | 22.1 | 39.2 |
| Financial | 4.7 | 9.1 | 16.3 | 35.9 |
| Government, Organizations, Non-Profit, Education | 6.5 | 10.3 | 17.7 | 28.4 |
| Manufacturing, Construction, Utilities | 8.9 | 15.2 | 21.1 | 31.2 |
| Media, Entertainment, Telecommunications | 6.2 | 10.1 | 19.5 | 34.1 |
| Software | 7.8 | 13.9 | 22.8 | 38.0 |

### Time on app: Mobile (minutes)

| Industry | Low | Average | High | Best-in-class |
|---|---|---|---|---|
| Business Services, Holding Company | 4.0 | 5.6 | 9.9 | 16.7 |
| Consumer Goods & Services, Food | 5.4 | 7.7 | 10.5 | 15.2 |
| Financial | 3.4 | 4.0 | 7.4 | 13.6 |
| Government, Organizations, Non-Profit, Education | 3.8 | 5.5 | 9.9 | 14.9 |
| Manufacturing, Construction, Utilities | 4.2 | 5.0 | 8.8 | 11.4 |
| Media, Entertainment, Telecommunications | 4.6 | 7.6 | 11.3 | 16.0 |
| Software | 3.7 | 5.9 | 10.3 | 17.1 |

# Three ways to improve time on app

## 01 Consider your product’s use

If you built your application for productivity, focus more on your web-based offering. If you built your product for entertainment, users might prefer a mobile application. Time on app will vary if users are consuming content or achieving specific goals.

## 02 Build what your customers are asking for

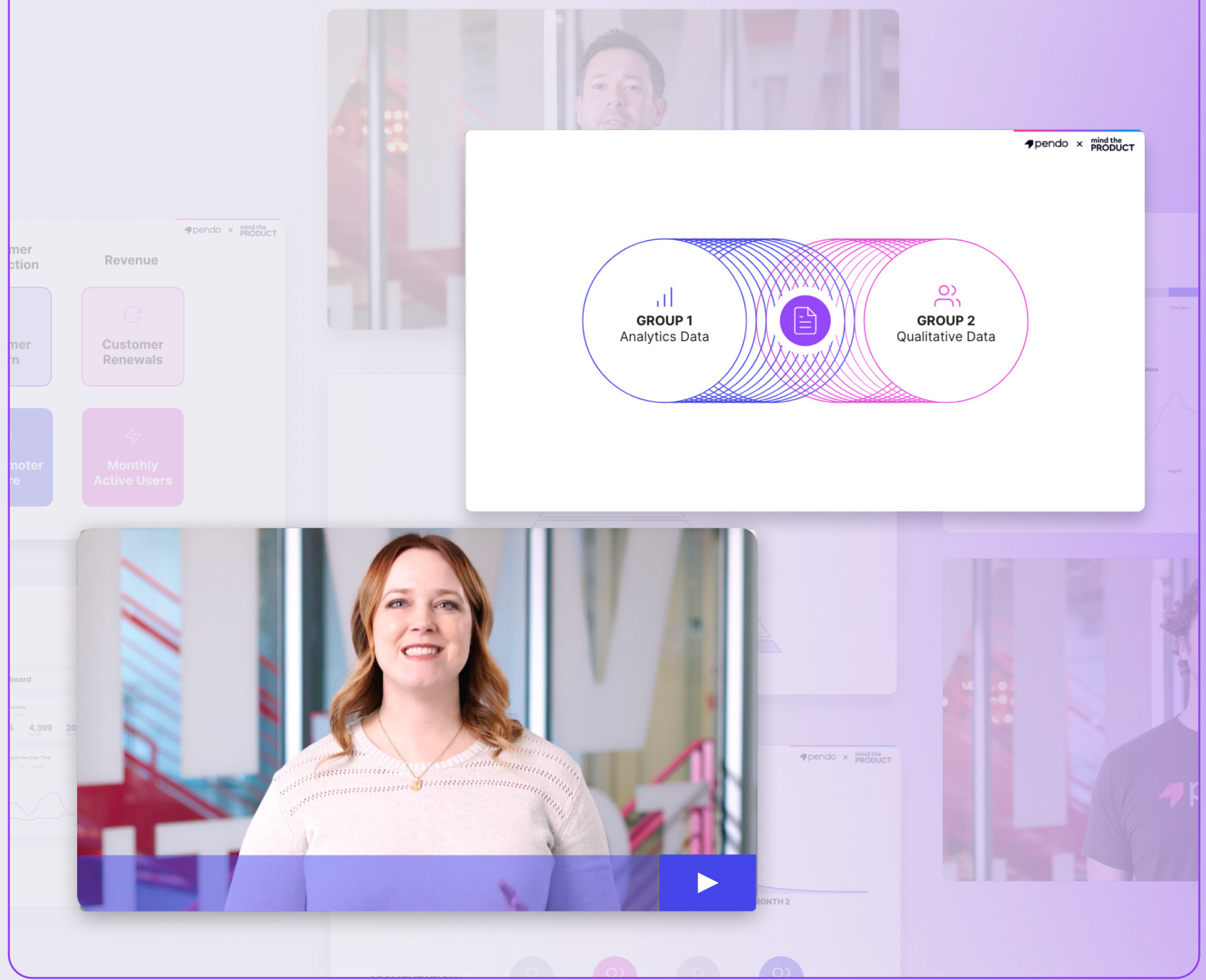
Gather user input through user interviews, feedback widgets, and in-app surveys to keep doing what your users like—and skip what they don’t need.

## 03 Give lower-engaging users a push in the right direction

Heatmaps, funnels, and session replay recordings can show you where users are dropping off.
Then, create segments with less engaged users and guide their behaviors to replicate that of your more engaged users.

## Ready to deepen your benchmarking expertise?

Get certified in Product Analytics →



# Guide engagement

# Guide engagement measures how users interact with the in-app guides within your product.

Every team at your company can (and should) use in-app guides, and launching them is easy. So easy, in fact, that it's hard to wrangle the volume of requests coming from different teams. As a PM, how do you know if your guides are effective or overwhelming?

With an average engagement rate of 28.5% across all company sizes, industries, and geographies, in-app communication is an effective way to reach your users.

# Best-in-class product companies have 2.5x higher guide engagement than average

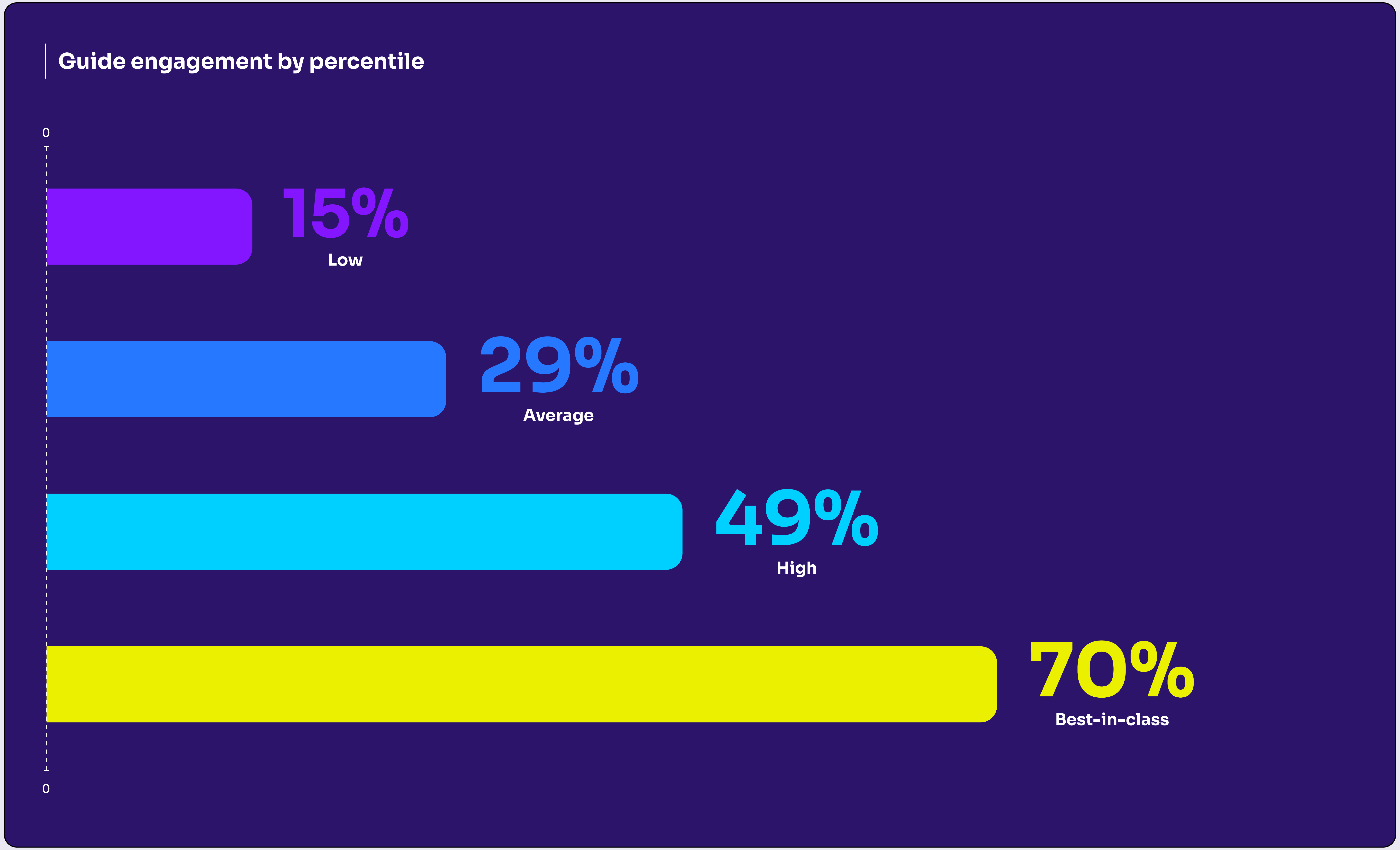
That means for every 100 users that log in, almost 70 of them will engage with in-app guides. On average, organizations have a 29% guide engagement rate.

## How we measured guide engagement

We measure the percentage of users who engaged with the guide (i.e. by clicking on the link or button, excluding "dismiss" actions), by the total number of visitors who saw this subset of guides.

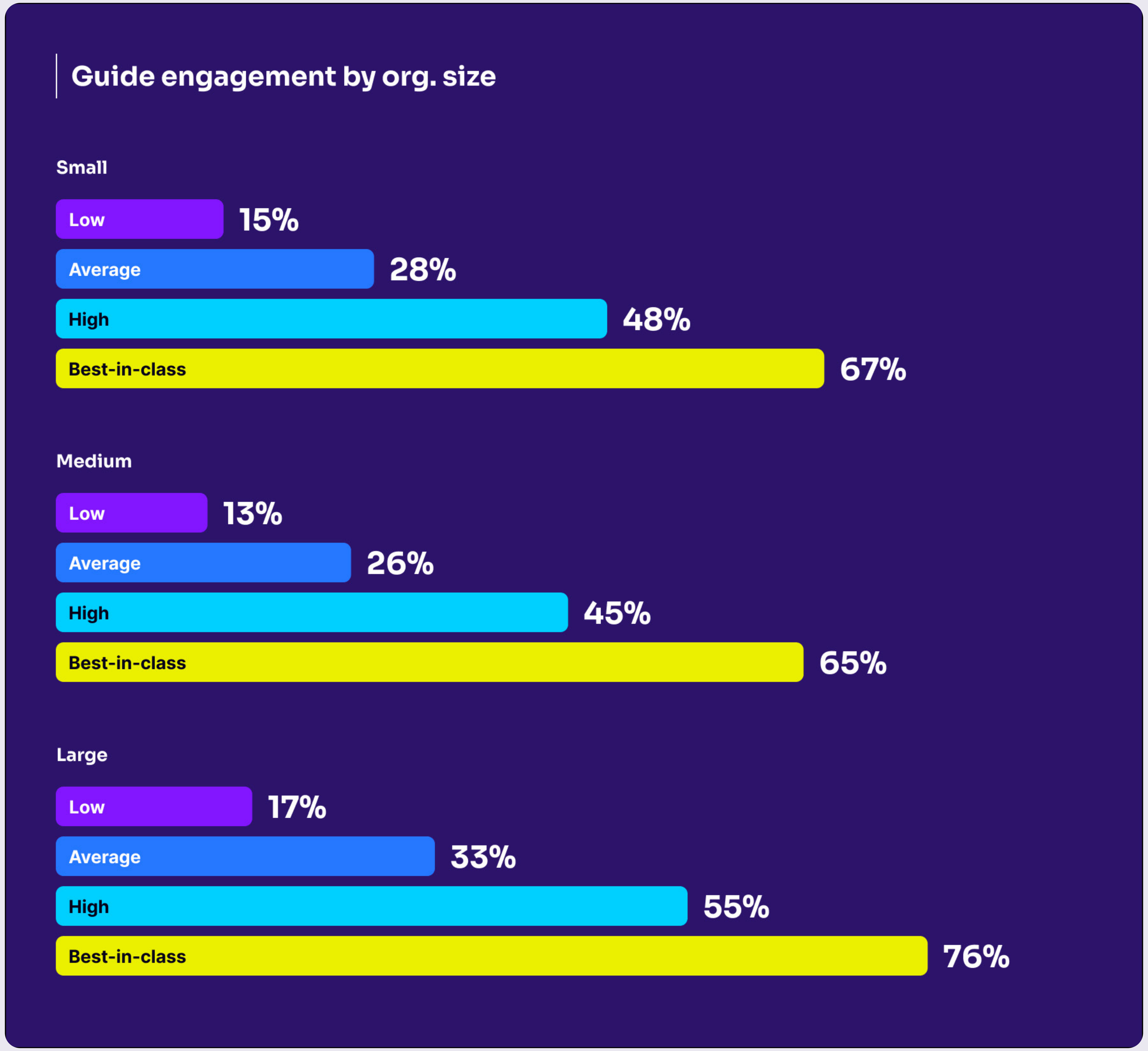
$$\text{Guide engagement} = \left( \frac{\text{Users that Engaged with the Guide}}{\text{Users that Saw the Guide}} \right)$$

This benchmark measures guide engagement by looking at single- or multi-step guides that include some kind of non-dismiss-action link or button activity and that have been viewed in the last 30 days.



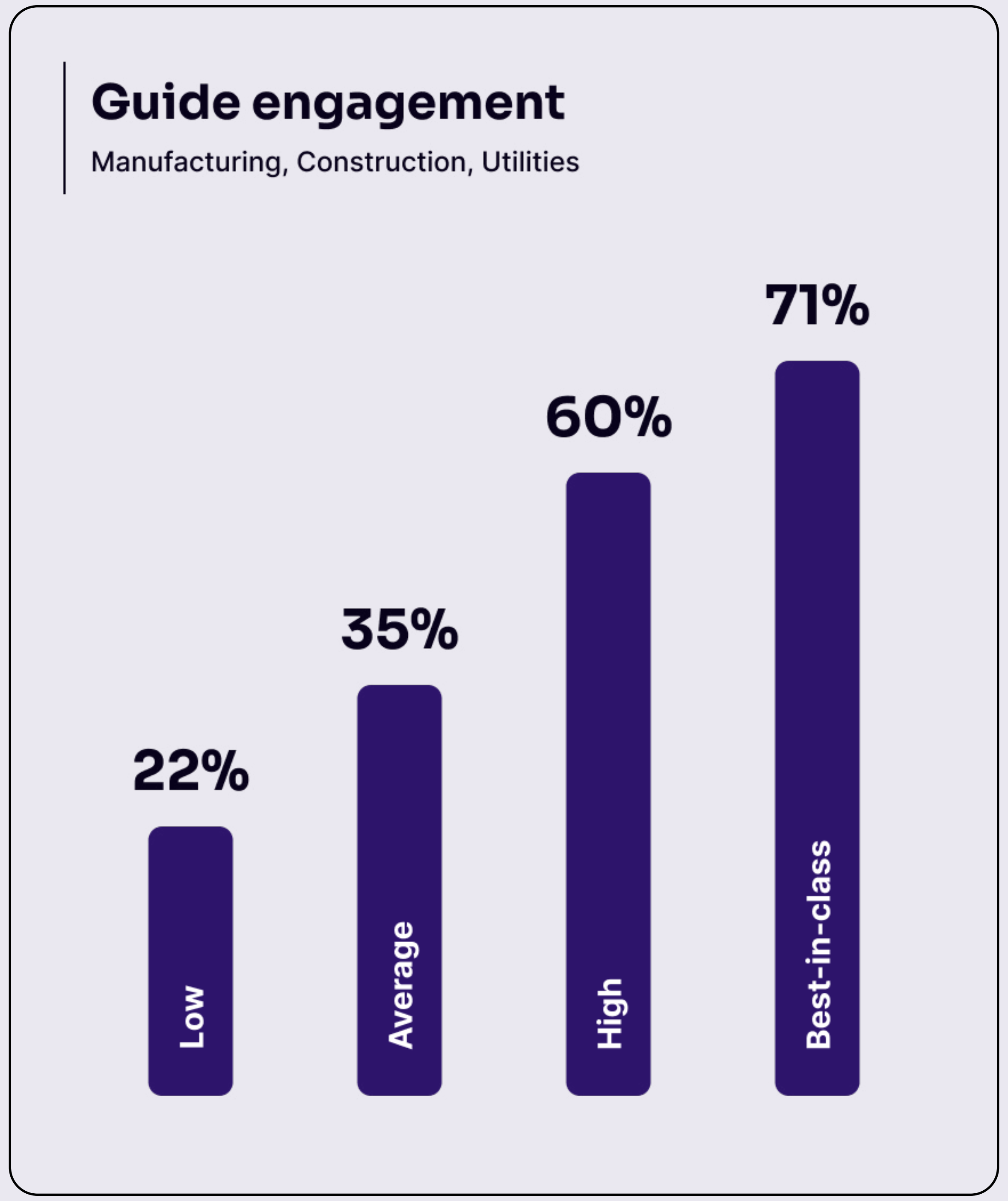
# Large companies have the most guide engagement

Companies with 2,500+ employees have the highest guide engagement rates across every percentile. This may be because they have more resources to invest in user research, segmentation, and content. Or, larger companies may **require** guide engagement to complete a workflow.




## Users engage with guides 35% of the time in manufacturing products

Products in the Manufacturing space are sweeping the stage when it comes to guide engagement. Why? For starters, guides that are laser focused on helping users usually perform better. People logging onto these applications are probably trying to get a specific need met—like submitting a ticket, completing a task, or sharing an update—and giving users targeted, in-app content is the most effective way to personalize your UX.



# Tips to improve guide engagement

## 01 Focus on quality over quantity

Don't be afraid to say "no," and implement a **process to manage in-app communication**.

## 02 Understand how different segments engage with in-app campaigns

If a certain group of users don't engage with in-app guides, consider excluding them from the segment to avoid spamming them with information.

## 03 Research and understand your users

You may be offering the wrong information to the wrong users. One way to fix this? Ask users what they'd find valuable. You can also look into qualitative, quantitative, and visual user data to offer tailored tips and walkthroughs for a personalized experience.

**"In-product messaging and signals simply work better. When you connect in-product messaging with your product data, you can reach new levels of personalization."**

**Todd Olson**
Co-founder and CEO

pendo

# NPS response rate

# Net Promoter Score (NPS) response rate is the percentage of users that complete the NPS survey.

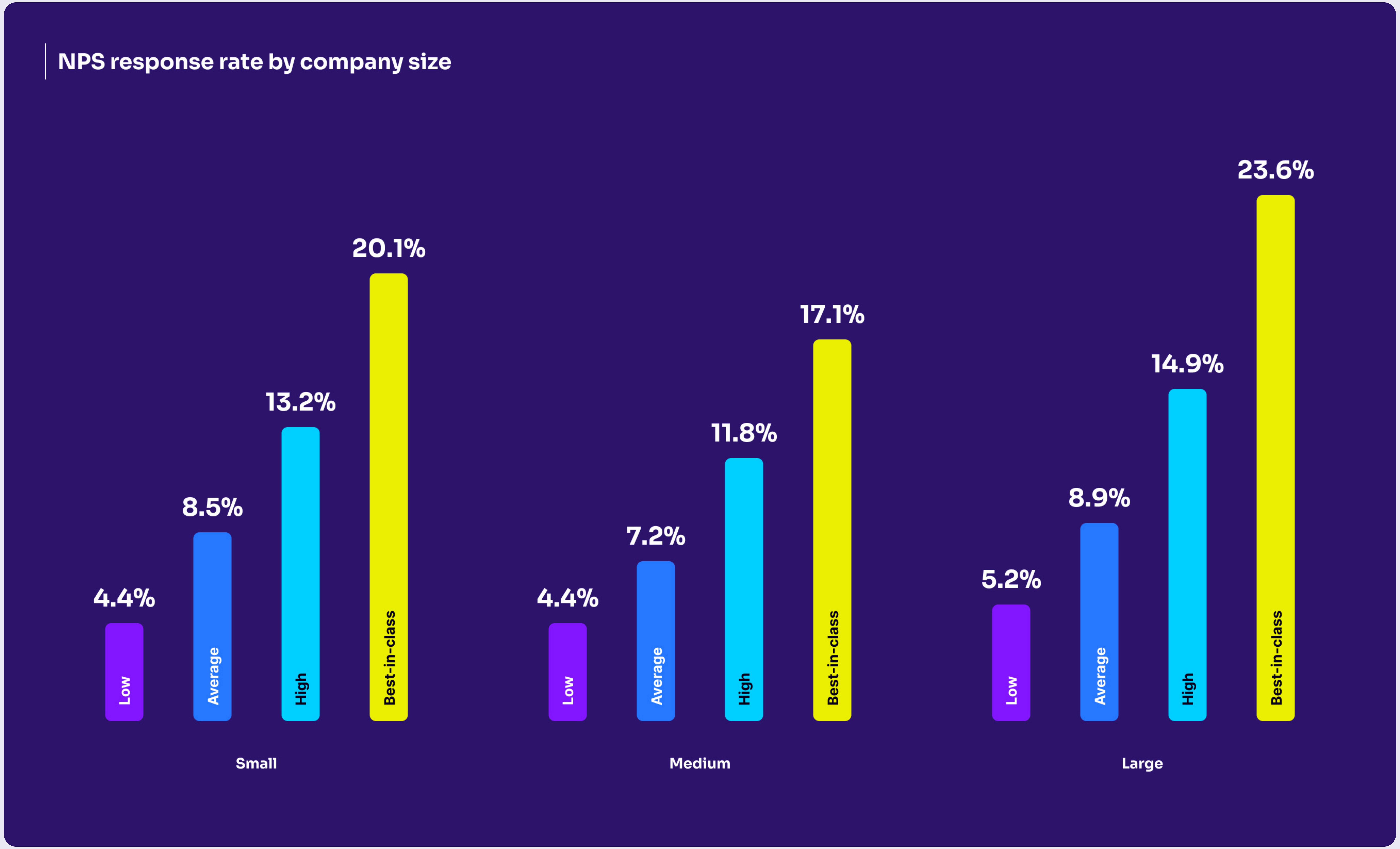
The most popular way to gauge loyalty, NPS measures how likely your customers are to recommend your product or service. Users answer on a 0-10 scale, where scores of 9 or 10 are marked as “Promoters,” 7 or 8 as “Passives,” and 0 through 6 as “Detractors.”

The more responses you have to an NPS survey, the more insights you have to make data-driven decisions about your product roadmap. Historically, companies prompt NPS survey responses via email and in-app communication.

However, **emails** have an average click-through rate of 2.66%—and that’s just the amount of users landing on your NPS survey. Instead of using email to request NPS responses, product-led companies ask for feedback where users already are: **in the product**.

# Best-in-class organizations have 2.4x higher NPS response rates

On average, 8.2% of users respond to NPS surveys. Large companies have higher NPS response rates across every percentile. This is no surprise, because large companies also have the highest guide engagement rates across the board. Medium-sized companies had the lowest average NPS response rates, at 7.2%.




## How we measured NPS response rate

We measure NPS response rate by looking at the percent of NPS guides and emails users respond to out of total NPS in-app guides seen in the last 30 days.

$$\text{NPS response rate} = \left( \frac{\text{Sum of NPS responses}}{\text{Users that Saw your NPS Guide + NPS emails sent}} \right)$$

Looking to calculate your NPS score? [Check this out](#).

## Manufacturing takes the crown for best NPS response rates

Manufacturing products have the highest average NPS response rates of all industries studied, at 12%. Often prompted via in-app guides, this industry has the highest guide engagement rates, on average. Products in Media and Business Services have the lowest NPS response rates.

### NPS response rate by industry

| Industry | Low | Average | High | Best-in-class |
|---|---|---|---|---|
| Business Services, Holding Company | 4.5% | 8.2% | 12.4% | 19.4% |
| Consumer Goods & Services, Food | 6.4% | 10.5% | 17.2% | 30.4% |
| Financial | 5.7% | 10.2% | 15.5% | 27.0% |
| Government, Organizations, Non-Profit, Education | 7.0% | 10.5% | 17.8% | 26.5% |
| Manufacturing, Construction, Utilities | 6.0% | 12.0% | 18.8% | 28,3% |
| Media, Entertainment, Telecommunications | 4.4% | 11.4% | 12.3% | 22.2% |
| Software | 4.4% | 7.6% | 11.9% | 17.4% |

# Five steps to improve NPS response rate

## 01 Prompt your super users

Send NPS surveys to segments of engaged users, and exclude users that have lower engagement metrics.

## 02 Measure response rates at the account- and visitor-level

Account-level scores will help you understand your average sentiment, and user NPS response rates help uncover what personas are increasing or decreasing your score.

## 03 Send surveys at the right time

Trigger NPS pop-ups after they've achieved an "aha!" moment, because users are more likely to respond after a positive experience.

## 04 Don't ask too often

We've all been asked to review a product right after downloading it, and most of us hit, "Don't ask me again." For B2B applications, ask once per quarter. For B2C products, ask once per month.

## 05 Keep it short and include open-text fields

The shorter the survey, the higher your engagement rate will be. Clearly state what your users can expect and remove unnecessary questions. Add a section where users can provide written comments to add context to numerical scores.

**"In Q1, 2016, we used email to collect NPS response rates and got 80 responses. The very next quarter, we published in-app NPS surveys with Pendo, and we received 800 responses—most of these within three days. It was amazing."**

**Dan Larsen**

Director of product management

HENRY SCHEIN®

# Product engagement score

# Product engagement score averages stickiness, growth, and adoption into one metric.

Think of your product engagement score (PES) as one metric to rule them all. PES boils everything down to reveal how you're performing, and where you can improve. Because it averages your product's adoption, stickiness, and growth, you can quickly identify which metric (or metrics) bring down the average.

## Predicting your revenue engine with PES

Pendo's data science team wanted to see if we could predict whether a customer would churn, renew flat, or grow its contract with only PES. We found that PES is strongly correlated with customer retention: Months before contract renewal, accounts with the highest PES were most likely to renew and expand, while accounts with the lowest PES were most likely to churn.

# On average, product engagement scores are 24

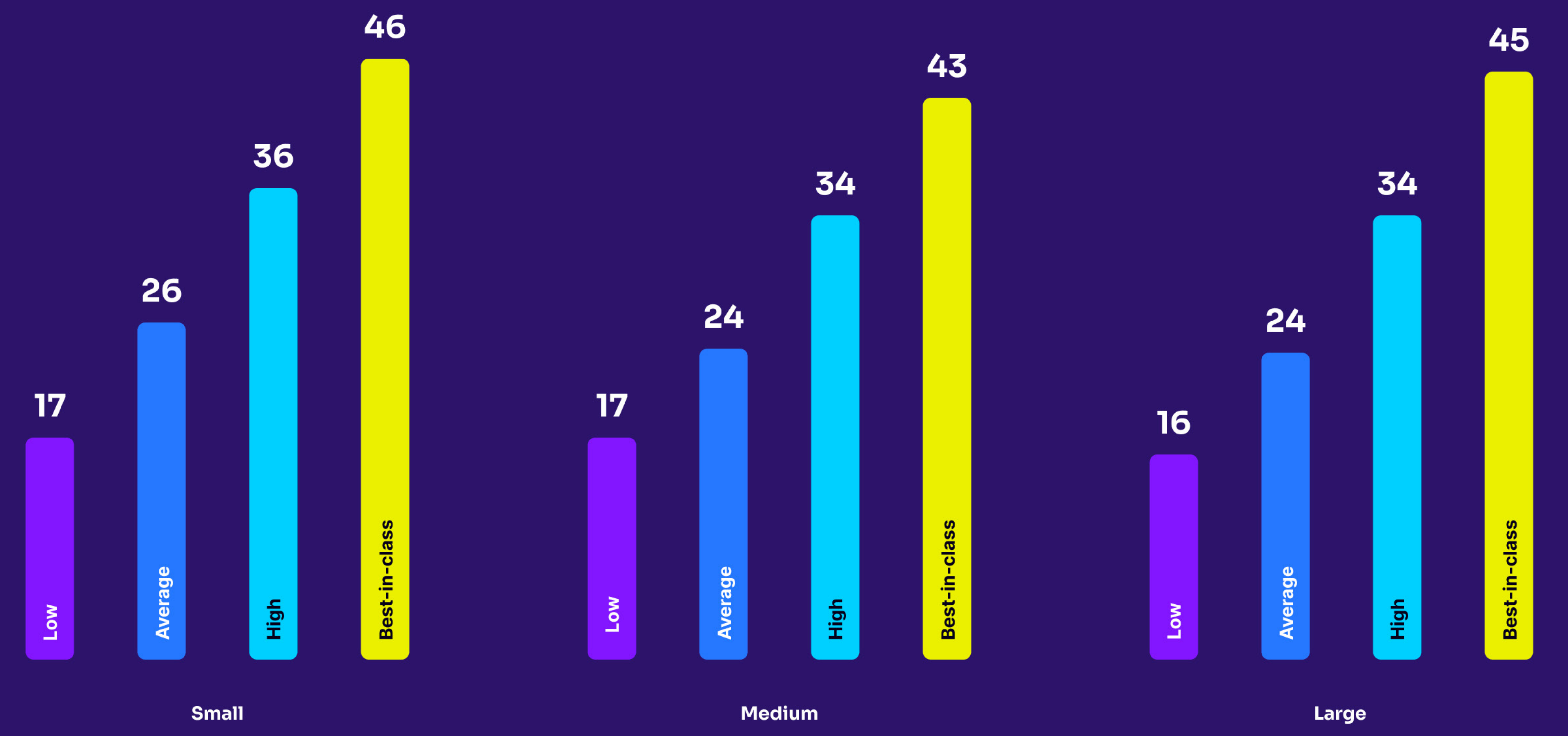
Best-in-class products have a PES at 44. When looking at PES, company size matters. Products from small companies have a higher PES across every percentile, with an average PES of 26.

## How we measured product engagement score

First, find your application's stickiness, active user growth, and feature adoption. Add these up, divide by three, and then multiply this number by 100.

$$\text{Product engagement score} = \left( \frac{\text{Adoption} + \text{Stickiness} + \text{Growth}}{3} \right) \times 100$$

PES by company size



## Consumer Goods & Services are leading the PES way

Products in the Consumer Goods & Services industries have the highest average PES, at 27. Consumer Goods & Services also has the highest weekly stickiness, on average.

Media and Manufacturing are following closely behind, at 25. Manufacturing has the highest average feature adoption. Despite the Media industry's high PES, they're actually losing MAUs at 4% each month, over six months.

### PES score by industry

| Industry | Low | Average | High | Best-in-class |
|---|---|---|---|---|
| Business Services, Holding Company | 17 | 25 | 36 | 45 |
| Consumer Goods & Services, Food | 17 | 27 | 36 | 48 |
| Financial | 14 | 23 | 33 | 43 |
| Government, Organizations, Non-Profit, Education | 13 | 21 | 30 | 39 |
| Manufacturing, Construction, Utilities | 18 | 25 | 36 | 42 |
| Media, Entertainment, Telecommunications | 15 | 25 | 38 | 48 |
| Software | 17 | 24 | 34 | 43 |

# How to improve PES

## 01 Focus on user growth

Is your active user growth tracking at a healthy pace? Are you keeping users around to achieve 'aha!' moments, or are they leaving before they can uncover value in your platform?

## 02 Improve feature adoption around core events

Use in-app messaging and widgets to guide your users towards workflows. Lead users to value right away.

## 03 Listen to your customers

Don't overlook implicit and explicit feedback, from NPS responses to product data.

## 04 Examine outliers

Is stickiness vastly higher than your adoption and growth? Does growth hold your PES back? Look at all three engagement metrics to identify what's holding your PES back.

**"PES gave me a calculation and a formula that I could really sink my teeth into quickly! PES makes us smarter and more collaborative when making outcome-based decisions about our products."**

**Ellie O'Connor**
Associate director of UX

S&P Global

# See how you stack up

Products are evolving at a breakneck pace, and it's never been more important to build a culture of measurement. Let these benchmarks guide and inform your product's future.

Get started with our interactive tool →

## Other resources

Get certified in product analytics →

Join the Mind the Product community →

Find your benchmarks in Pendo →

Pendo helps teams of all sizes put their product at the center of their business so they can create the best customer experiences possible. With Pendo's complete product adoption platform, you can combine retroactive usage analytics, in-app messaging, and feedback tools to better understand, guide, and close the loop with your users. And it all works at scale–no coding necessary. Pendo customers include the world's leading software companies and digital enterprises, including Verizon, Morgan Stanley, LabCorp, OpenTable, Okta, Salesforce, and Zendesk.

Learn more: www.pendo.io

Mind the Product is the world's most engaged product management community, with regular free local ProductTank meetups in over 200+ cities, as well as world-class content and resources, and the biggest and best training events, workshops, and annual conferences in London and San Francisco. These are the go-to events for meeting other product managers, designers, and developers, and honing your product craft (online and in person).

Learn more: www.mindtheproduct.com