Accelerate Product-Led Growth with Userback

How to streamline user feedback to fast-track success

userback

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>
> The future of growth is product-led. Data shows that companies leveraging a product-led growth strategy perform better on average – faster growth, higher margins, lower burn and stronger valuation multiples. Product-led growth will soon become the norm, making it table stakes for SaaS companies that want to win in their markets...
>
> ...what is your company doing to adapt to the product-led growth revolution?
>
> **Blake Bartlett**
> Product-Led VC @ OpenView
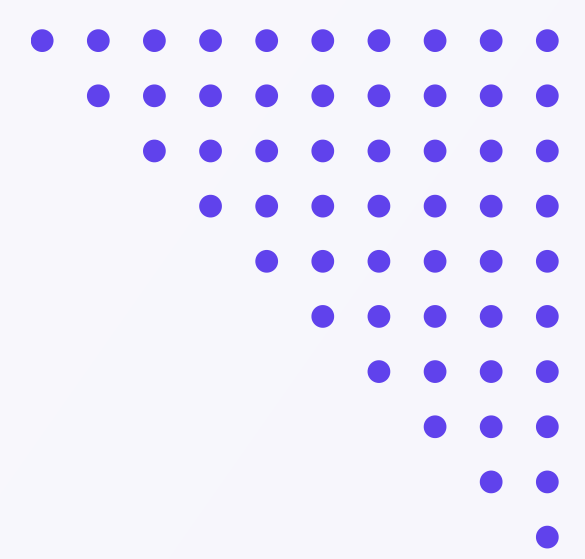
Introduction

You're probably familiar with the concept of product-led growth (or PLG) that's taking the digital technology sector by storm.

As the business landscape becomes more complex, competitive and cost-focused, PLG is gaining momentum as an impactful and cost effective growth strategy. Many organizations want to embrace PLG (or maybe they have to if they want to survive, let alone grow), however they are unable to get there because in order to realize PLG you have to be able to manage user feedback really well because a critical factor in PLG is knowing what users need and being able to meet those needs.

If you can't manage user feedback efficiently and cost-effectively, successful PLG is almost impossible. But even today many product teams struggle with managing user feedback — so much so that they often have no idea what their users really want from them or how well their products are performing relative to competitors.

If you're looking for ways to make PLG a reality for your product — whether you're a founder, product manager or marketer — in this guide we'll discuss 9 characteristics of PLG that you can accelerate by streamlining user feedback management.

Contents

What is product-led growth or PLG?

At it's core PLG is about creating a great product that sells itself, rather than relying on traditional sales and marketing activities like advertising and sales reps.

With PLG your product is more than just a product... it's at the center of the customer experience and acts as your primary acquisition tool for driving sign-ups, sales, activation and retention.

PLG organizations might offer free trials and freemium versions with limited features; or they may invest time and money in finding the most effective solution to specific pain points that users may face.

Blake Bartlett, an investment partner at TA Ventures, coined the term in 2016 after observing the growth of SaaS companies Datadog and Expensify. Bartlett noted these B2B companies served a wide range of consumers without breaking the bank on marketing and sales because their products did those jobs for them.

You can learn more about PLG at openviewpartners.com/product-led-growth
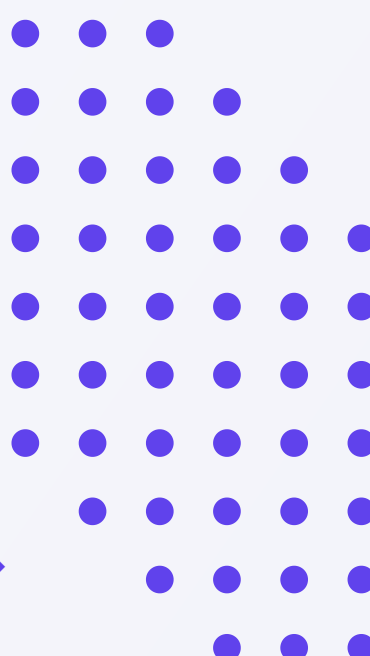
Two of the best-known PLG success stories are those of Spotify and Slack:

Spotify

This music streaming service has over 515 million users and is one of the most popular apps in the world. The company was founded by Daniel Ek, who recognized that there were no good ways for people to find new music online. He set out to build a solution that would change that, and today people use Spotify for everything from discovering new artists to listening on their way home from work.

slack

Now used by 43% of Fortune 100 businesses, this messaging app helps companies stay connected and productive by making it easy for teams from different locations or departments within an organization to communicate with each other throughout the day. Slack's founders realized there were no good tools available for teams who needed quick access across multiple projects while working remotely.

The importance of user feedback in product-led growth

Even though the label for this approach is "PRODUCT-led growth", users have a critical role to play, from how the product functions to how it is sold.

> Product-led growth is all about building a product that solves a customer's problem so well that they want to share it with their friends. And the only way to do that is to listen to your customers, understand their needs, and build a product that meets those needs. User feedback is critical to product-led growth because it helps you understand what your customers want and need, and how you can improve your product to meet those needs.

Des Traynor
Co-Founder & CSO @ Intercom

INTERCOM

User feedback is the gateway to the user insights that inform the decisions that both shape a PLG strategy and help to determine why it may or may not be working.
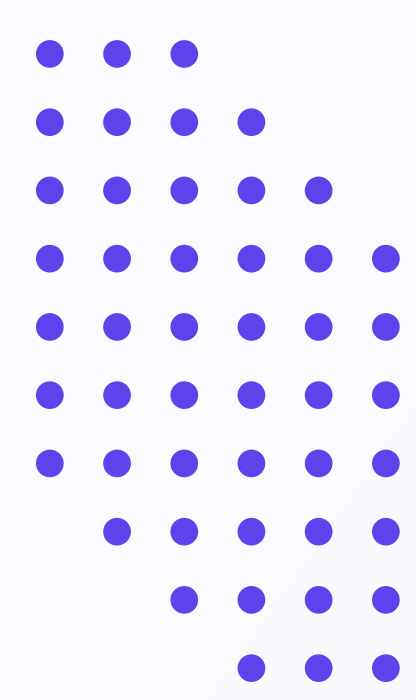
9 aspects of product-led growth that rely on effective user feedback management.

There are a whole range of reasons why a PLG approach might succeed or fail. The ability to manage user feedback is one of them and we have identified some key characteristics of PLG that depend upon user feedback management:

- User-Centered
- Responsive
- Viral
- Rewarding
- Intuitive

- No (or low) cost of entry
- Easy onboarding
- Rapid Time to Value
- Communication

User Centered

When defining PLG, Bartlett highlighted that whatever they do, PLG organizations always focus on their users.

When you make sure your customers are happy with your products or services then they keep using it. Any changes you make to the product should be based on user feedback rather than intuition alone.

However, when they're not able to manage user and customer feedback effectively to inform user-centered decisions, many organizations prioritize features and functionality based on their own opinion, or based on the vision of key stakeholders... which can be out of synch with what users actually need.

A report by Microsoft discovered that 77% of consumers view brands more favorably if they seek out and apply customer feedback.

Microsoft

If this happens the organization is in danger of creating a feature factory that fails to deliver PLG as the product fails to meet user needs.

There is a growing movement towards User-Centered Product Development (or UCPD) to ensure that users are engaged throughout the product development lifecycle to ensure user needs are met and that the feature factory is avoided.

The 2023 State of User-Centered Product Development (UCPD) Report

Discover how global organizations are able to connect, stay connected and harness user communities to power UCPD across the product lifecycle in this world-first report.

DOWNLOAD →

Responsive

In an increasingly complex and dynamic market environment, PLG requires agility, which in turn requires user insight.

How efficiently you can collect, assess and action user feedback will determine how quickly you can respond to market need — in the form of feature requests — or simply fix things that aren't working the way they should — in the form of bug reports.

There is plenty of evidence to show that organizations that are slow to respond to user needs are quick to lose customers!

Research by Forrester shows that 77% of customers say that valuing their time is the most important thing a company can do to provide them with good service.

FORRESTER

At the end of the day, if you respond to user feedback quickly it shows that you respect your users and you value their time. This improves customer satisfaction and retention. And it makes them more likely to share what you have to offer wth others.

Viral

When users are happy with your product not only do they keep coming back for more... they tell others.

Word-of-mouse referrals are a key factor in the success of many PLG applications, for example Spotify, Slack, Canva, Dropbox and more. Because many of these products feature a significant sharing component they are inherently viral... it's part of how they work.

When you know what users like about your product, you can amplify the viral spread by encouraging users to share the most popular features within their networks.

When you know what they don't like, or what doesn't work the way it should, you can fix it quickly to remove any barriers to referral. and to ensure that they do not put others off.

According to Deloitte, on average people tell nine others about a positive experience with a brand, but they tell 16 people about a negative experience.

Deloitte.
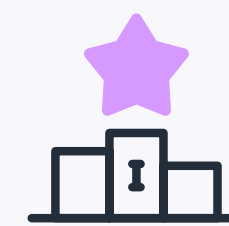
Rewarding

When you reward users it helps to increase usage, retention and word-of-mouse. But it helps to know what they want.

User feedback helps to establish how users feel about any rewards that you currently offer and what you could be doing to increase. According to a PLG Collective benchmark report on the current state of PLG, companies using gamification in their products to engage and reward users have increased their conversion rates by 7 times compared to those who don't use gamification.

> Using gamification in products to engage and reward users can increase conversion rates by 7 times.
>
> **PLG Collective**
> BY APPCUES
>
> **×7**

2022's Vonage Global Customer Engagement Report found that the top reason customers switch brands is because they feel unappreciated.

Intuitive

To realize PLG users need to be able to use your product on their own without any third party assistance or instruction.

If you want to create a user experience that's easy to use you need to be able to understand where your application may not be user providing an intuitive, user-friendly user experience and intuitive interfaces.

This means you need to know where there may be areas that are not delivering.

> " Companies that use a product-led growth strategy create products that speak for themselves. They achieve this by focusing on a number of elements, including user-friendly interfaces, websites, and touchpoints.
>
> **Hubspot**: Product-Led Growth: Examples and Benefits

No (or low) cost of entry

To lower the barrier of entry, many PLG strategies start with a free or freemium model that gets people using the product.

According to The State of Product-Led Growth 2023 report, 41.5% of PLG organizations choose to offer a free trial and 36.9% offer freemium services.

By collecting feedback from users who are using the free version of their product, PLG organizations can identify areas where the product can be improved and deliver greater value to users, which can encourage new users to sign-up for free or trial versions and existing users to upgrade to the paid version with more advanced features.

FREE	FREEMIUM
41.5%	**36.9%**
of PLG organizations offer a free trial	of PLG organizations offer freemium services

Easy onboarding

The user onboarding experience is the first impression you get to make with customers. You need to make sure it's a good first impression.

If your user onboarding process is not well-designed, it can leave users feeling frustrated or confused. This can be a huge barrier to success as users are then less likely to use the product or tell others about it.

User feedback can highlight any friction in the onboarding process as well as those moments that "surprise and delight" your new users.

These insights can then be used to improve the onboarding process or identify where additional in-app prompts or cues are required to overcome friction points.

Rapid Time to Value

The sooner you can add value to a user, the more likely you are going to earn their loyalty and trust.

PLG organizations need user feedback to understand how best to accelerate time to value for their users by analyzing the customer journey through insights and trends.

Surveys, experiments, and discovery sessions allow them to understand user needs and pain points so they can improve their product experience.

By making it easy for customers to sign up, quickly get value from the product, achieve their jobs-to-be-done, and share their positive experiences with others, PLG organizations are better positioned to attract, convert and retain users.

3 CLICKS

Once you're signed up with Canva, you're able to create a design within 3 clicks... that's pretty impressive in terms of time to value!
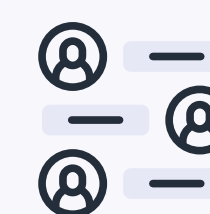
Communication

When you keep your users in the loop it helps to build loyalty, trust and even a shared sense of ownership.

From collection to closure it's important to keep users in the loop. Acknowledge their feedback to show them that you're listening, taking their needs seriously and responding to their feedback. This helps to build long term trust, loyalty and retention.

Following up with users after they provide feedback can help build a relationship and show that you are committed to improving their experience.

And what if you don't keep them in the loop? Well, Bloomberg discovered that 68% of customers say they'll leave a company because they believe the company is indifferent to them.

68%
of customers leave because they believe they have been treated with indifference.

Bloomberg

By prioritizing development based on user feedback, companies can ensure that their product remains relevant and useful to their target audience.

This will help to build a loyal user base and attract new users to the product over time. Ultimately, this will lead to a more successful product and a more satisfied user base...

...so where's it going wrong for so many organizations?

If you're struggling to make PLG a reality, do you face any of these challenges when it comes to managing user feedback:

- Disconnected and manual methods to manage user feedback — such as email, spreadsheets, phone-calls and even Post-It notes?

- Little or no consistency in how feedback is collected?

- Receiving ambiguous and subjective feedback?

- Assessing and managing user feedback is time-consuming and frustrating — you have to go back to users to ask them what they mean exactly or what steps they were taking before an issue?

- Developers spend too much time fixing bugs rather than building new features and functionality?

- Taking too long to respond to feedback resulting in lost opportunities, trust or loyalty?

- Struggling to integrate user feedback into existing workflows and processes?

- You can't decide what features and functionality to prioritize?

- Your product roadmap is losing its way?

- Users are left in the dark not knowing if they've been heard or that their issues have been closed?

- User feedback is seen as a drag rather than an opportunity to deliver a better product experience?

If the answer is 'yes' to one or more of these issues then your user feedback loop is probably more like a tangled knot, almost impossible to manage, let alone action.

You need to untangle that user feedback knot before you can expect to successfully realize PLG.

> When user feedback gets in a knot the velocity of your product development can be impacted because you lose clarity on user preference. Much worse is that you may build the wrong things. Product teams need to become focused on driving customer outcomes. Failure to deeply understand users means that R&D investment isn't aligned with customer outcomes. This is a profound business risk.

Karl Rumelhart • Chief Product Officer and Executive Vice President of Engineering @ Gainsight

Gainsight

Learn more from Karl and other global Product Managers in Userback's eGuide: Untangle the User Feedback Knot

What makes Userback the ideal user feedback platform for product-led growth?

User feedback is the lifeblood of PLG. And if you're looking to nail PLG, Userback is the perfect tool for collecting and managing user feedback so you can stay ahead of the game.

Userback gives businesses the ability to manage the entire user feedback lifecycle, from collection to closure.

With its powerful feedback and collaboration features, you can continuously and cost-effectively gather valuable insights from your users, make informed decisions and take the necessary action to improve your product, such as:

- Real-time feedback

- Contextual insights

- Collaboration

- Integration

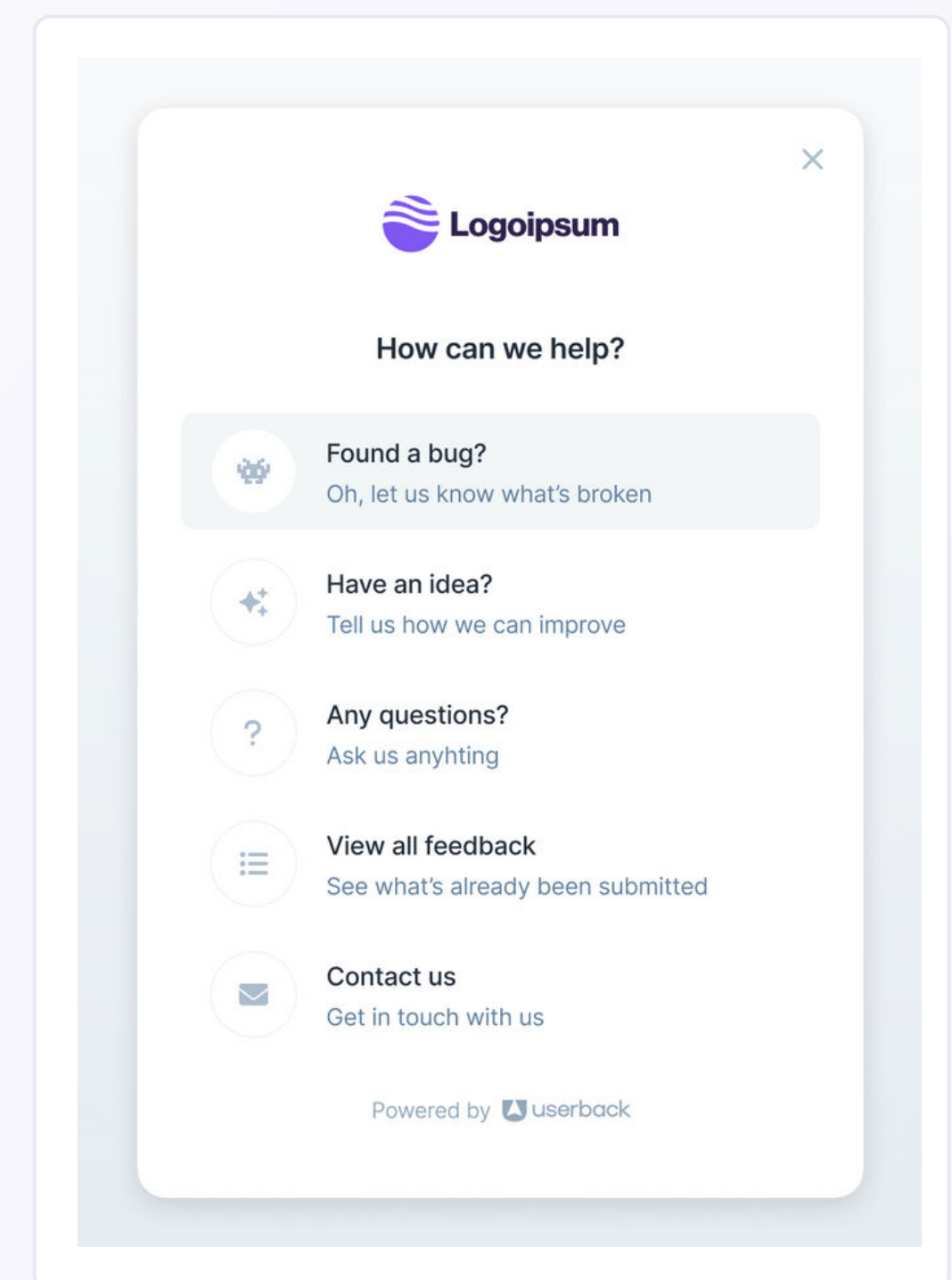- Centralized feedback portal

Real time feedback

Userback allows you to collect actionable feedback directly from your users in real-time, so you can quickly identify pain points and areas for improvement.

Our in-app widget allows your users to submit bug reports, feature requests and general feedback without leaving your environment. They can capture screengrabs, record videos, scribble notes, draw on the screen, add any annotations and then directly share their feedback with a single click — no more back-and-forth in emails or spreadsheets!

This gives you the user-centered feedback you need to continuously improve your product, identify potential roadblocks and make timely adjustments.

Learn more about Userback's:
- In-App Feedback
- Screen Annotation
- Video Recording

Logoipsum

How can we help?

Found a bug?
Oh, let us know what's broken

Have an idea?
Tell us how we can improve

Any questions?
Ask us anyhting

View all feedback
See what's already been submitted

Contact us
Get in touch with us

Powered by userback

All the insights you need to create features and fix stuff fast

Every piece of feedback comes with the relevant user and session information so you know exactly what operating environment that they are using.

Your developers get instant access to all that background information they need to fix stuff fast.

When you run Session Replays the user doesn't even have to tell you what was going on… you can see a video-like recording of the user session detailing every interaction leading up to a specific event or issue.

This information saves developers significant time when investigating and replicating issues.

Learn more about Userback's:
- User Insights
- Session Replays
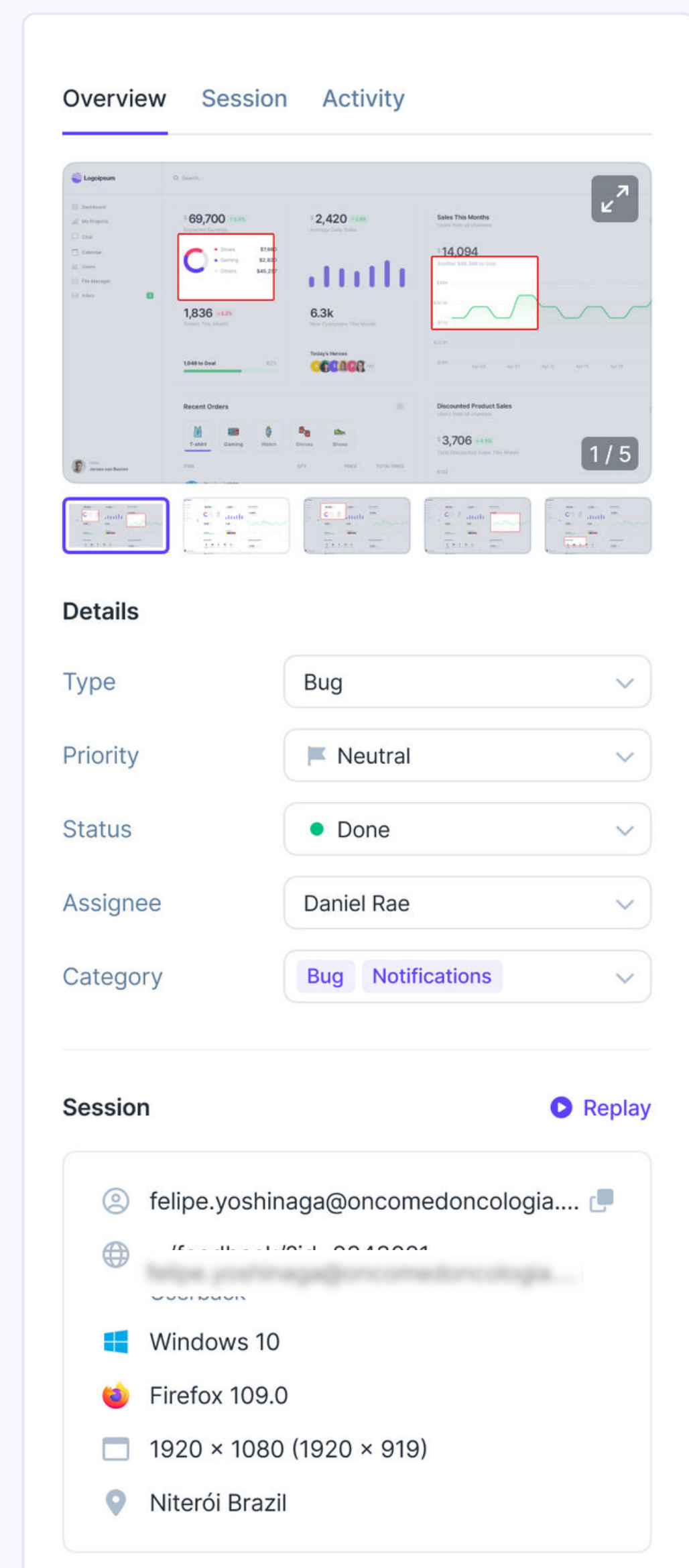
Collaboration & Integration

From on-screen annotation to assigning tasks, Userback features a range of collaboration tools that enable users, product managers and software teams to communicate better and ultimately work together to improve your product.

Userback easily integrates with popular project management and collaboration tools, such as Trello, Slack, and Jira, making it easy to incorporate feedback into your existing product development process. Alternatively, Userback can be used standalone as an end-to-end user feedback management platform.

Learn more:
- See it all in action — watch the Userback demo
- Userback integrations
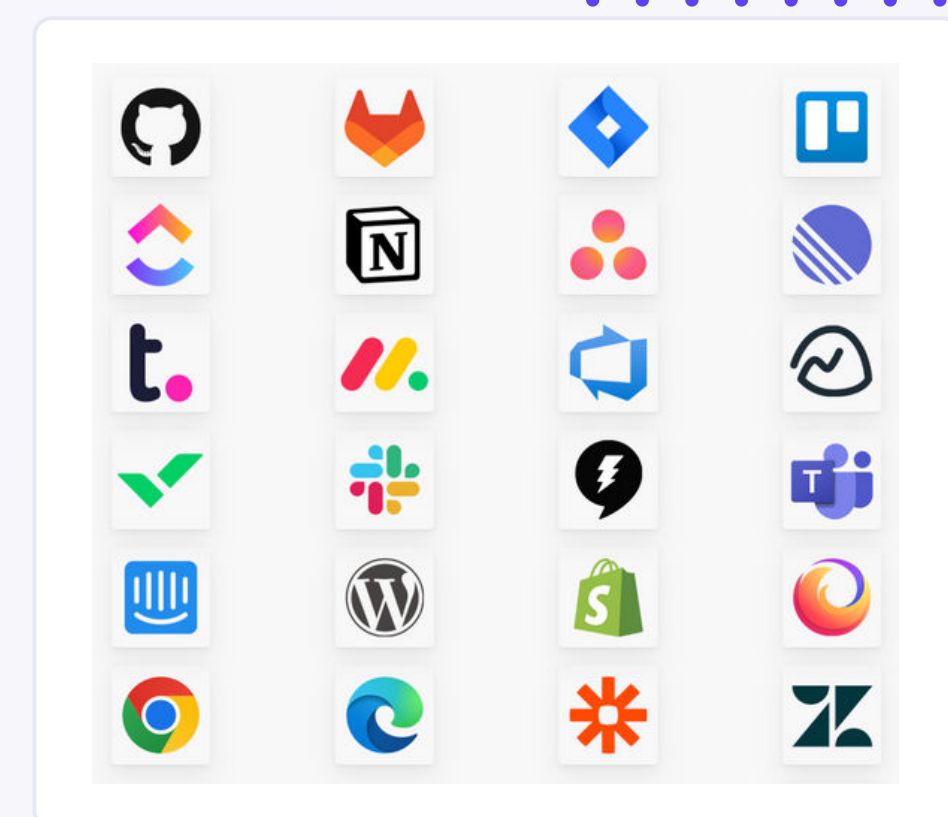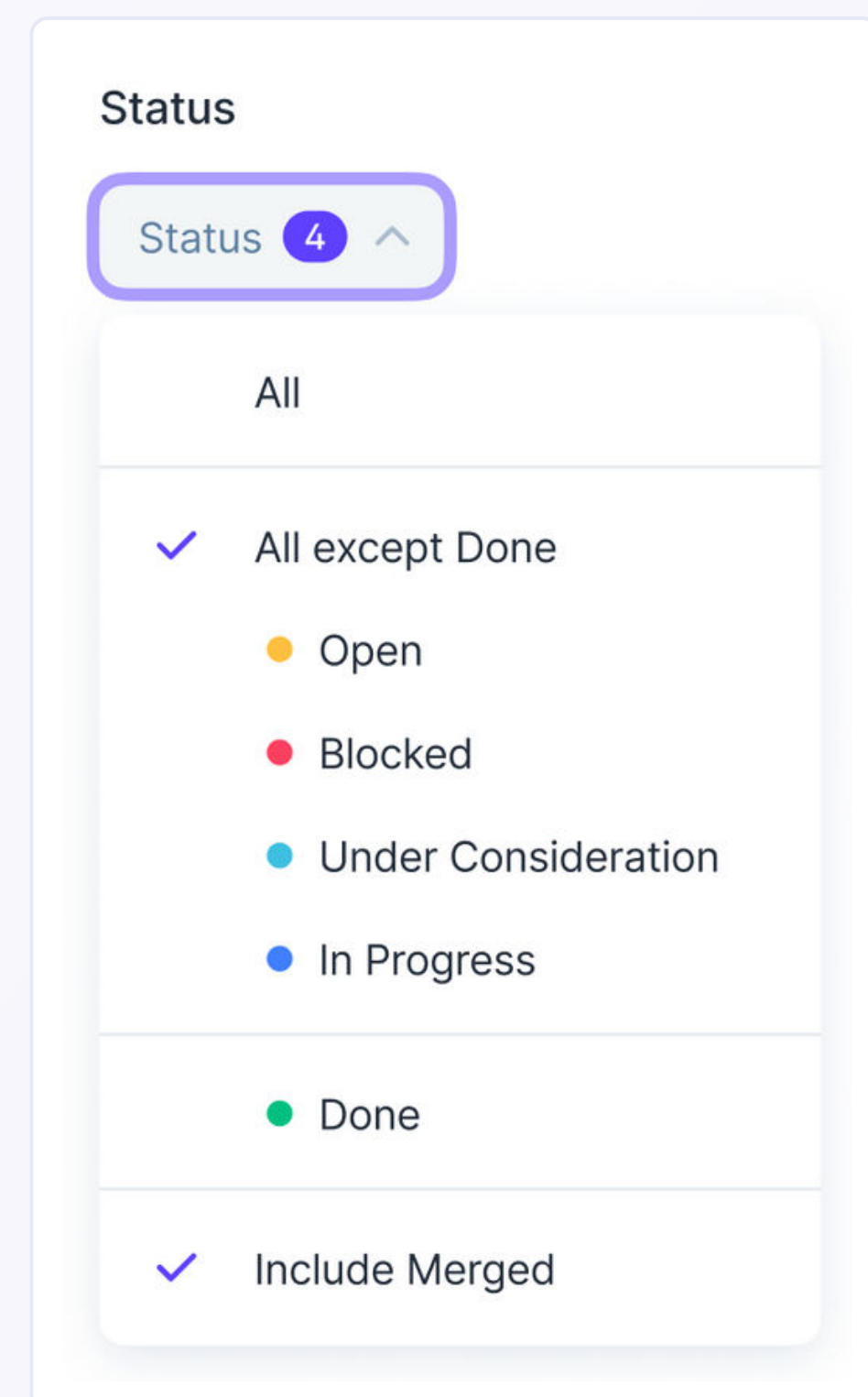
Feedback portal

The Userback Feedback Portal, allows teams to collect and organize feature requests while letting users vote and comment on what matters most to them.

This helps you to determine which feedback to prioritize based on its impact on your product's success, such as improving user experience, increasing revenue, or reducing churn.

The feedback portal shows customers that you are listening and taking their needs seriously, helping to build trust and loyalty.

Learn more:
- Userback's Feedback Portal
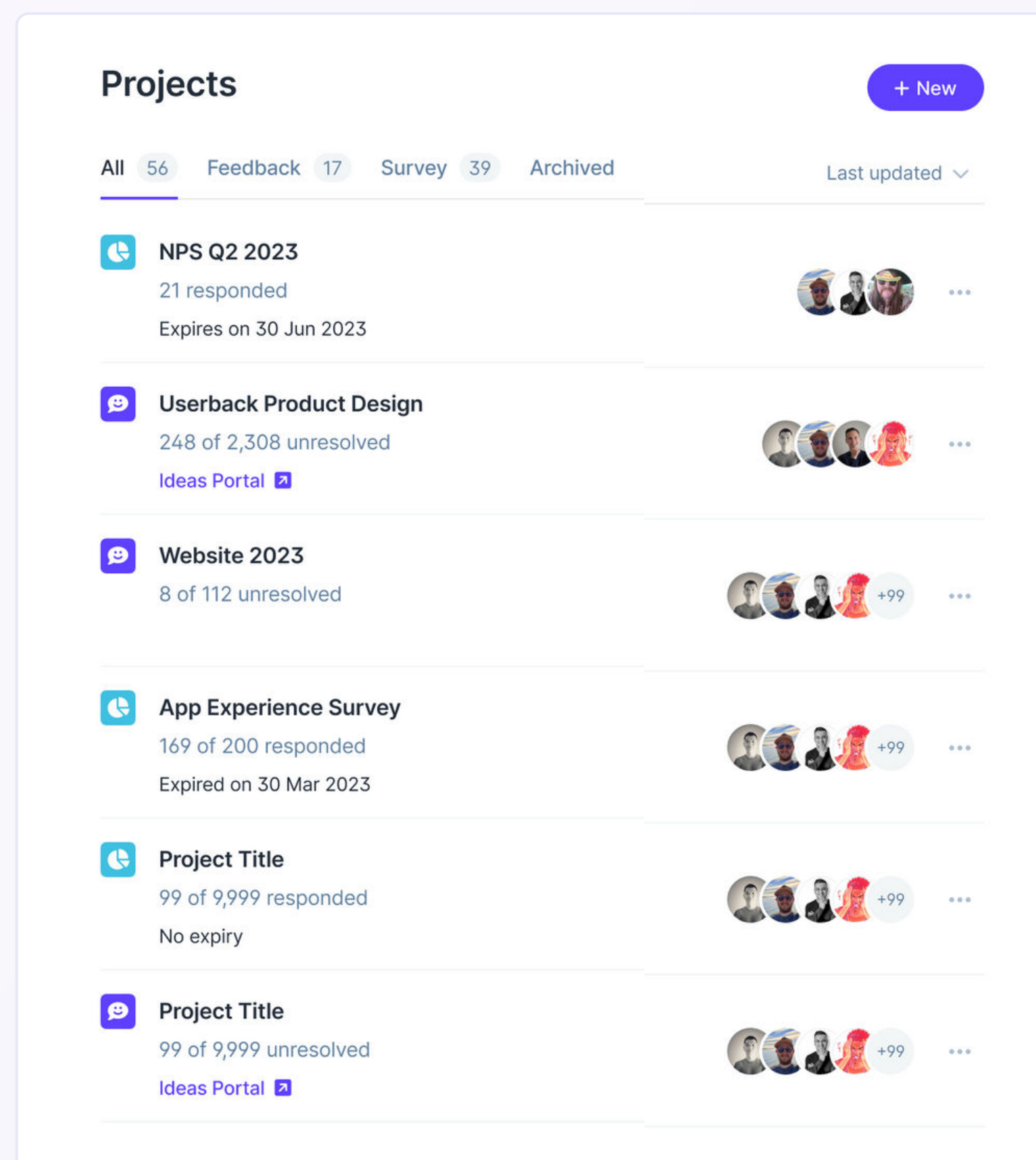
Conclusion

Realizing and accelerating PLG can dramatically impact the success of your organization by allowing you to reach a wider audience, deliver a better user experience and respond to user needs faster.

User feedback is a vital component of PLG and using a platform like Userback to streamline and automate the collection and management process is integral to acquiring actionable insights quickly and reliably.

With Userback, organizations can take their PLG initiatives to the next level by optimizing user engagement, making data-driven decisions with ease, delivering greater customer satisfaction and enhancing their overall PLG efforts in real-time.

Get started with Userback today and fast-track your journey to PLG!

More from the Userversity

userback.io/userversity

If you enjoyed reading this, discover more about streamlining user feedback management in these other Userversity reports and guides:

The 2023 State of User-Centered Product Development Report
Discover how global organizations are able to connect, stay connected and harness user communities to power UCPD across the product lifecycle in this world-first report.
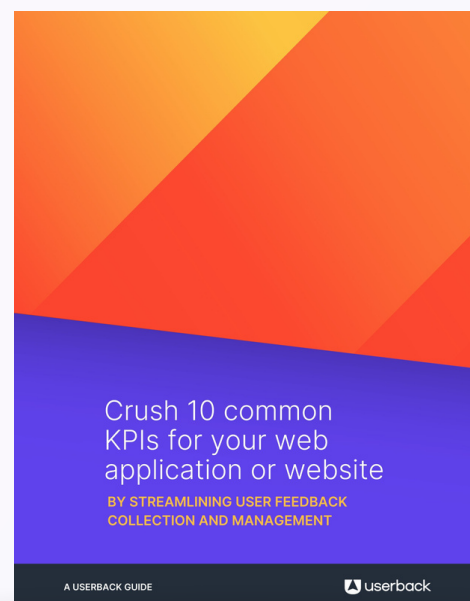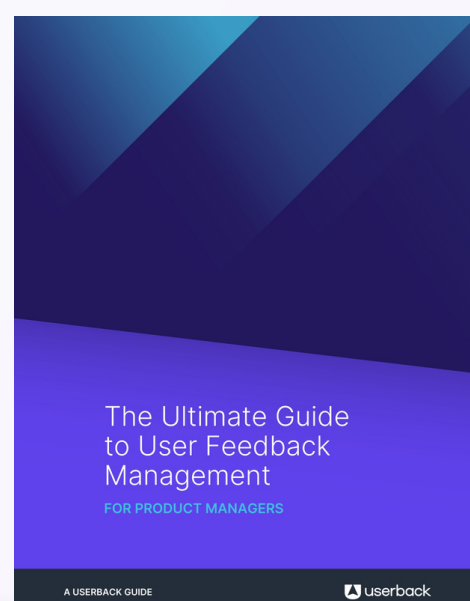
DOWNLOAD →

Crush 10 Common KPIs for Product Managers
Discover how you can build better products faster simply by streamlining the collection and management of user feedback.

DOWNLOAD →

The Ultimate Guide to User Feedback for Product Managers
Power up your feedback loop and discover how to streamline your user feedback processes and better understand what your users want and deliver the features they need, faster!

DOWNLOAD →

8 Ways to Keep Your Product Roadmap on Track

If your product roadmap seems to be going nowhere, of just heading in the wrong direction, discover how to get things back on track by streamlining user feedback management.

DOWNLOAD →

10 Fixes for Bug Fixing

Building something new or just need to keep an existing platform running smoothly? You need to be able to identify and rectify bugs fast. Learn how with Lee Le, Userback CTO .

DOWNLOAD →

Untangle the user Feedback Knot

If your user feedback loop is more like a tangled knot, almost impossible to manage, let alone action. You need to untangle knot before you can improve user engagement and accelerate growth.

DOWNLOAD →

Discover more about how streamlining and automating user feedback with userback can help you to build better products that users love more, faster at **userback.io/userversity**

About Userback

Founded in Australia in 2016, Userback is a market-leading user feedback platform helping 20,000+ software teams to understand what customers need so they can build better web applications, faster.

Userback streamlines and automates the realtime in-app collection, evaluation and management of visual feedback and contextual surveys. Userback can be used standalone or seamlessly integrated into existing business workflows to allow product managers and developers to validate ideas, optimize product-market fit, refine roadmaps, prioritize features, fix bugs and deliver value with greater insight, impact and efficiency.

Start free at userback.io/signup

Thanks for reading

We hope you enjoyed
this Userback guide.

To learn more about how user feedback
can help your business visit userback.io

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