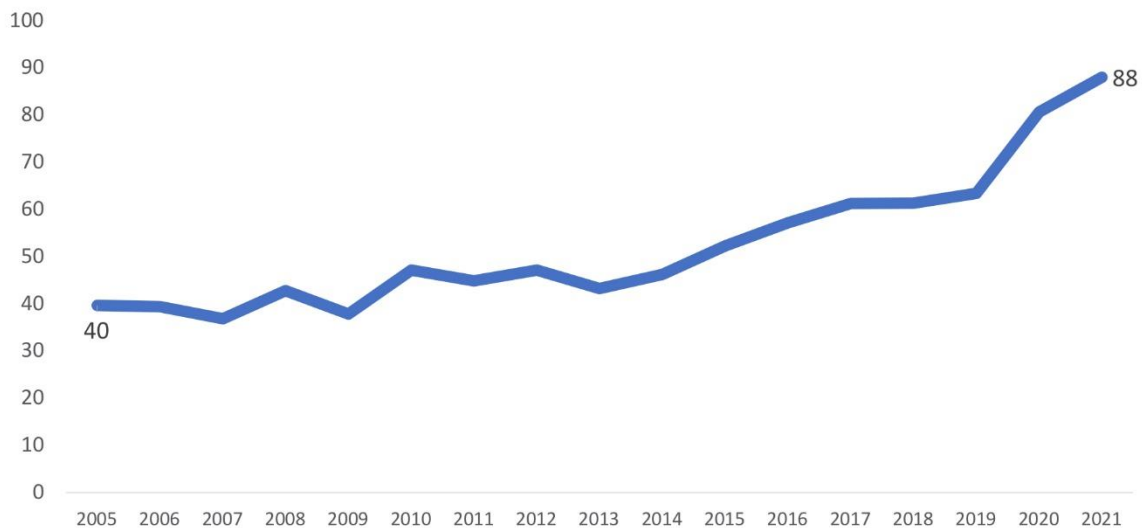# Product growth

Definition

Product-led growth (PLG) is a business methodology in which user acquisition, expansion, conversion, and retention are all driven primarily by the product itself.

A product growth strategy aims to increase a product's value by identifying new ways to satisfy users and attract newcomers. A growth product manager may be appointed to research options, find opportunities, and experiment with new features or functions.

What product growth is not

Product growth is different from product-led growth. Almost <u>all</u> product teams aspire to help drive product-led growth. It is a topic that is important for product people to evangelize. It helps the reputation and resourcing of the product team.

Product growth is also different from product growth strategy. That is a topic that many different groups – including executives, strategy, finance, and BizOps – should contribute to. The strategy is the markets, segments, and problems to solve in the context of the competitive environment. Product growth is what the product teams working in growth do to execute on that strategy.

Product Growth > Growth Product Management
≠ Product-Led Growth
≠ Product Growth Strategy

What is Growth Product Management?

Growth product management is a specialized form of product management, with focuses on how to make the product become successful.

Since growth product management is the marketing side of a company, its goal is to make money by acquiring new users and retain these users for a long time. Therefore, growth products are often seen as business-to-consumer or business-to-employees products.

Growth Product Managers typically focus on specific metrics related to a product's success and value, such as acquiring new users, increasing retention rates, finding new ways to monetize a product to boost revenue, or encouraging existing users to refer newcomers. Testing and experimentation are essential to validate new additions.

As part of effective Growth Product Management, managers may discover that certain functions or features require revision to maximize value. Finding new ways to help users get more out of a product they're paying for should bolster retention and cultivate an increase in referrals. After all, if a product's new features make the user's life easier, why wouldn't they want to help a friend or colleague enjoy the same benefits as well?

However, Growth Product Managers must be willing to collaborate with teams to ensure that any changes they recommend will bring positive results. Otherwise, putting ideas and strategies into action may be harder than it should be. Regular, transparent communication is vital to ensure a harmonious and productive growth process.

airfocus   Product Management | Glossary

Growth Product Management

Growth Product Management refers to increasing an existing product's value and user base. Unlike traditional product management, which focuses on managing all activities required to bring a profitable product to market, Growth Product Management aims to help an existing product become more successful.

Why you should care

1/

This role is popping up at many of the fastest growing tech companies:

- [Facebook](#) (valued ~$968B)
- [Paypal](#) (valued at ~$346B)
- [Square](#) (valued ~$108B)
- [Canva](#) (valued ~$30B)
- [Dropbox](#) (valued ~$12B)
- [Policygenius](#) (valued ~$600M)

Generally, it is the type of role that is seen in companies scaling after they have achieved product market fit.

2/

The area has not been defined on the web comprehensively. The closest is content about subsets of product growth. Although a ton of that content is awesome, it is distinct:

- This [Product School talk](#) from Facebook Core PM [Jake Strich](#)
- This [Product School talk](#) from Dropbox Growth PM [Willie Tran](#)
- This [Product School talk](#) from Microsoft Senior PM [Sinduja Ramanujam](#)
- This [Product School talk](#) from Airbnb PM [Pratik Shah](#)
- This [Eleken article](#) on Growth Product Managers
- This [Product-Led Growth Collective article](#) on The Rise of the Growth Product Manager

3/

Learning about a role (that does not exist at your company) is a surprisingly useful technique to imagine work streams, work products, or initiatives that (you or) your company could take on.

The Archetypes

Product Driven
Product Growth PM

Platform
- Experimentation
- Paid Media
- Lifecycle Marketing
New Products

Sales/Marketing Product Driven
Product Growth PM

Funnel Improvement
- Acquisition
  eg, Demos/ Free Products
- Growth Loops

Tools-Driven
Product Growth PM

Tool belt
- Experimentation
- ML & Personalization
- Metrics

"Product Driven Product Growth PM"

Generally, product driven product growth PMs lead dev teams to develop platforms or new products to drive growth. Within the platform bucket, the most common types of platforms these product growth PMs build are products that help other teams implement growth strategies. One of the common areas is an experimentation platform. This allows all sorts of teams plug in and have an interface for results read-outs. It provides a substrate layer for the whole company to drive product growth.

"Sales/ Marketing Product Driven Product Growth PM"

The vast majority of pre-existing content on growth product management focuses on this type of product growth. These types of growth PMs sit at the intersection of marketing and product. Most of these types of PMs identify growth levers and build products via testing around them to continually improve metrics. This is spiritually similar to the advertised role at Square, where the Job description cites, "you'll build growth product experiences and infrastructure in order to grow the business internationally."

They often lead dev teams to drive an experimentation roadmap against funnel metrics. In this way, they often solve problems for the marketing team, like lower conversion rates at part of a funnel, or by building a low customer acquisition cost engine through a free product. These types of PMs may also help build growth loops within the product to increase stickiness and retention. It is not uncommon to see these PMs focused on a metric like orders per customer per year.

"Tools Driven Product Growth PM"

This type of PM has perhaps been pioneered and popularized by Facebook's Product Growth team. "Partnering with Product Management, Engineering, Design, Content Strategy and Data Science,"

becomes a critical role for this type of PM. They are often enhancing a large product team with more PM horsepower in the areas of experimentation, metrics, ML & personalization.

What's unique about this type of PM versus the other two is this one often partners with other PMs who own the key product areas growth is being focused on. The other two PMs manage product areas.

Growth Product Managers Skills

Based on what we know about growth product managers, we can work backwards to determine what kinds of skill sets are most valued in growth product managers.

At a high level, growth product managers need to be both **obsessively quantitative and creatively qualitative**. They need to focus on numbers, but they can't solely rely on data to make the magic happen. After all, data only provides the "what" and not the "why" – and you need to know why users are stumbling when they try to use your product's functionality.

Breaking it down further, you need this constellation of skill sets:

1. Quantitative analytics and experimentation chops

2. Creativity

3. Obsession over the user's needs, experiences, and mental model

4. Marketing know-how

5. Collaboration, humility, and communication

References

[1] https://www.hotjar.com/growth-product-management/ (last accessed: 2023. 06. 25.)

[2] https://www.aakashg.com/2021/07/18/what-is-product-growth/ (last accessed: 2023. 06. 25.)

[3] https://airfocus.com/glossary/what-is-growth-product-management/ (last accessed: 2023. 06. 25.)

[4] https://producthq.org/product-led-growth/growth-product-management/ (last accessed: 2023. 06. 25.)