Principles of Funnel Analysis

Nick Ross, Phd

Overview

- Who I am
- Funnel definition
  - What this *actually* means
- Interpretation notes
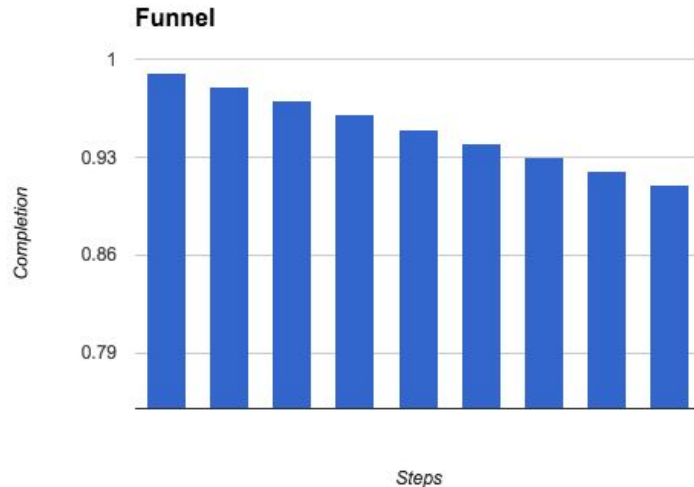- Best Practices

Who I am

What is a Funnel?

A **visualization tool** focusing on the **linear progression** of a **well-defined population**

Funnel
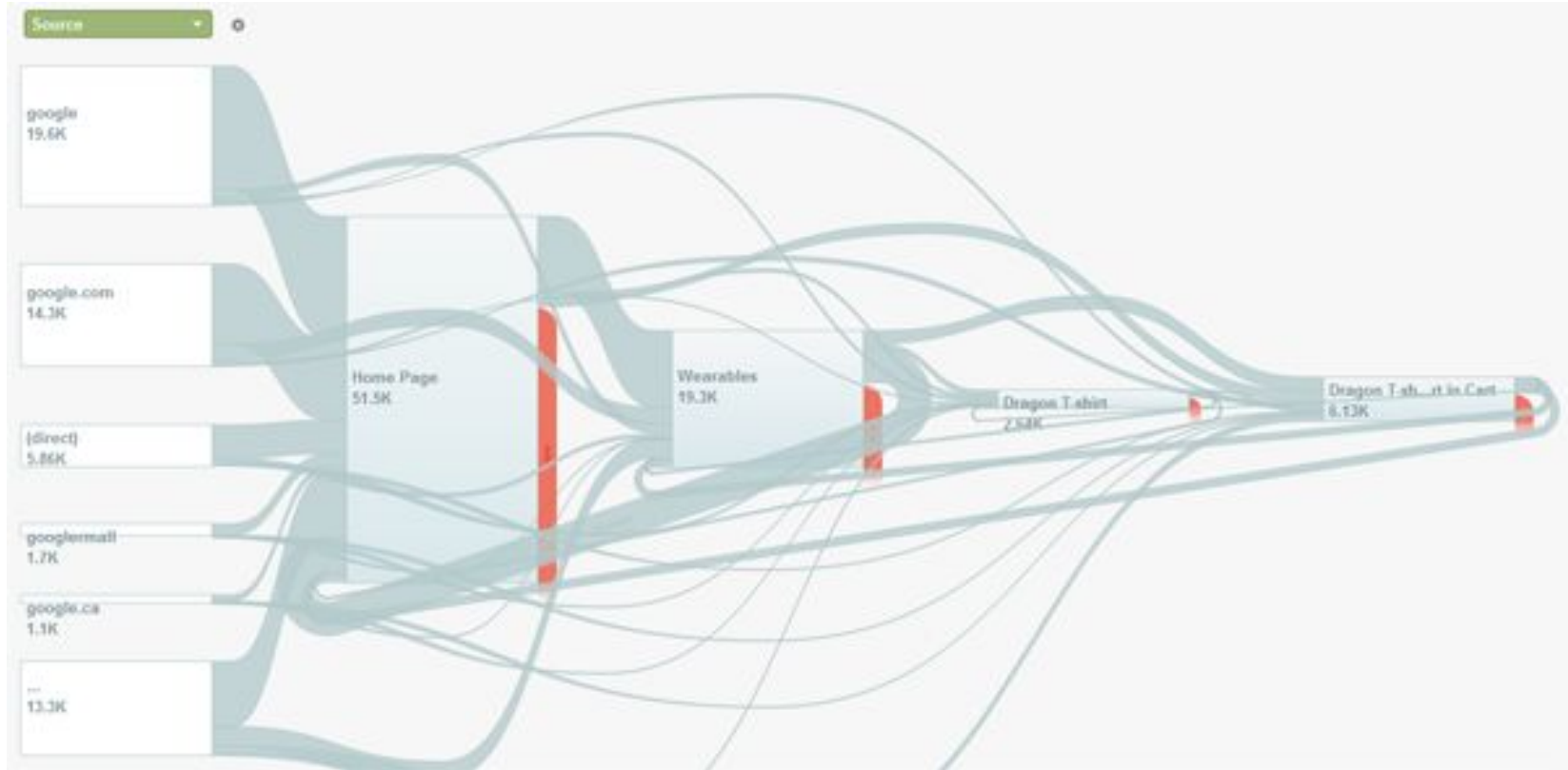
Completion

Steps

Visualization Tool

Funnels are not in the production stack

Visualization Fail

Linear Progression

Funnels fail when there are "optional" steps
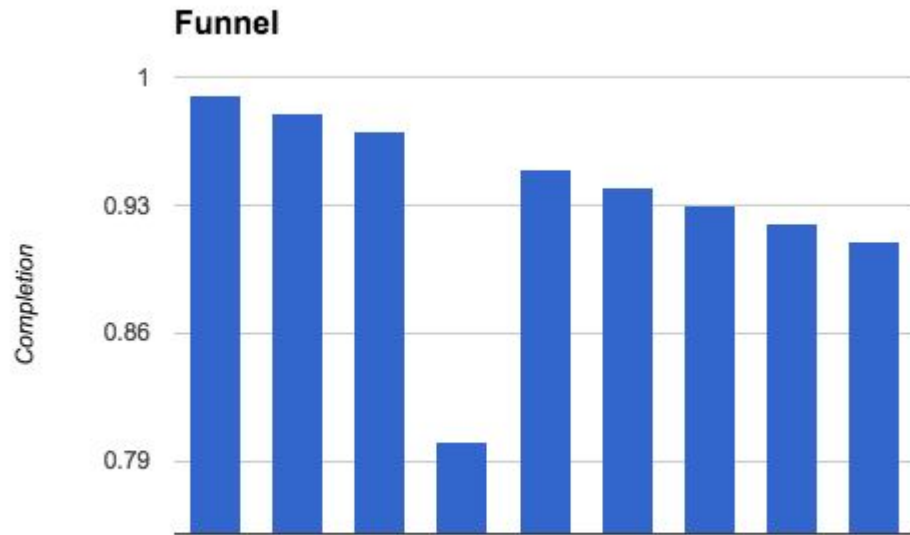
Linear Progression

Optional Steps
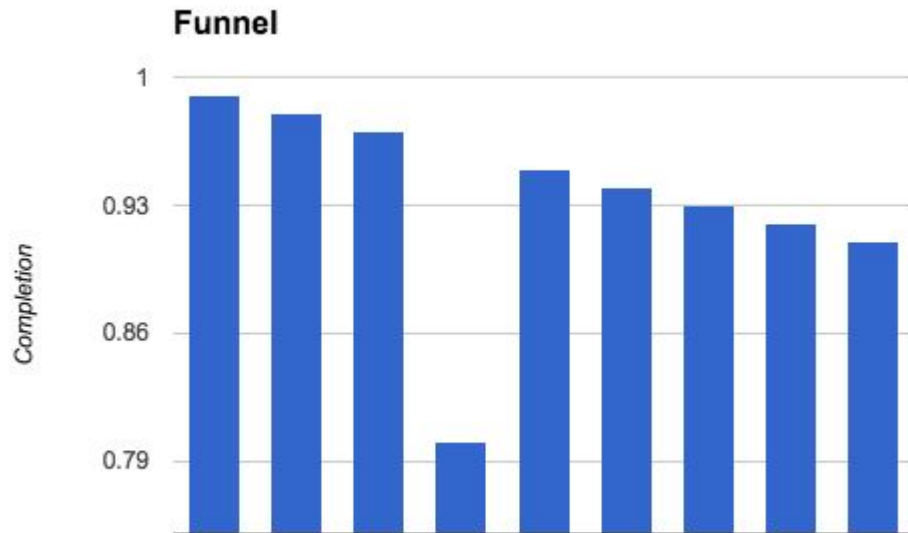
Funnel

Step 1	Open Game
Step 2	Hit Play
Step 3	Login / New User
Step 4	Facebook Connect
Step 5	Begin Tutorial
Step 6	First Tutorial Screen
Step 7	Second Tutorial Screen
Step 8	Third Tutorial Screen
Step 9	Tutorial Completion

Population

- Funnel should focus on a *well-defined* population at the *start of the funnel*:
    - Homogenous within-product time
    - Composition factor

Variance generated from within group differences should be less than the variance on the funnel.

Homogenous Population

Population

At each stage you are rolling a die or flipping a coin. A homogenous population generates accurate estimates.
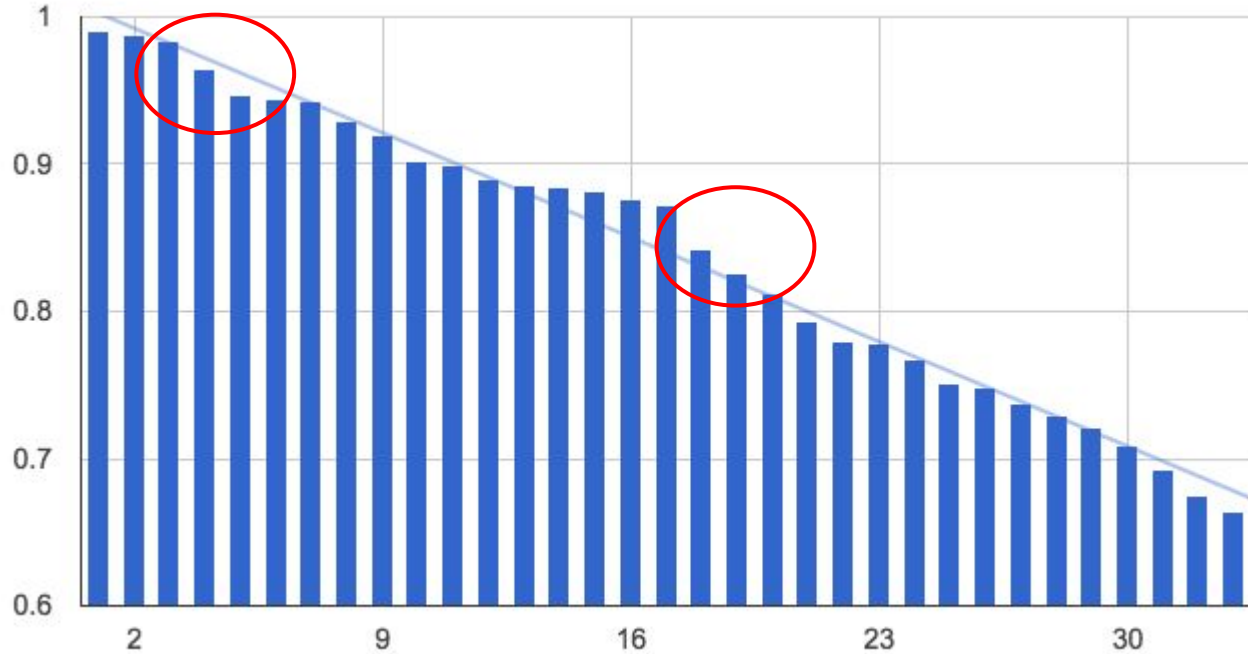
So you have set everything up...

- How do we interpret one?

There is natural attrition and that natural rate is "roughly" in proportion to the time that the user is in the app. Look for places where there is a deviation from this natural rate and study those.
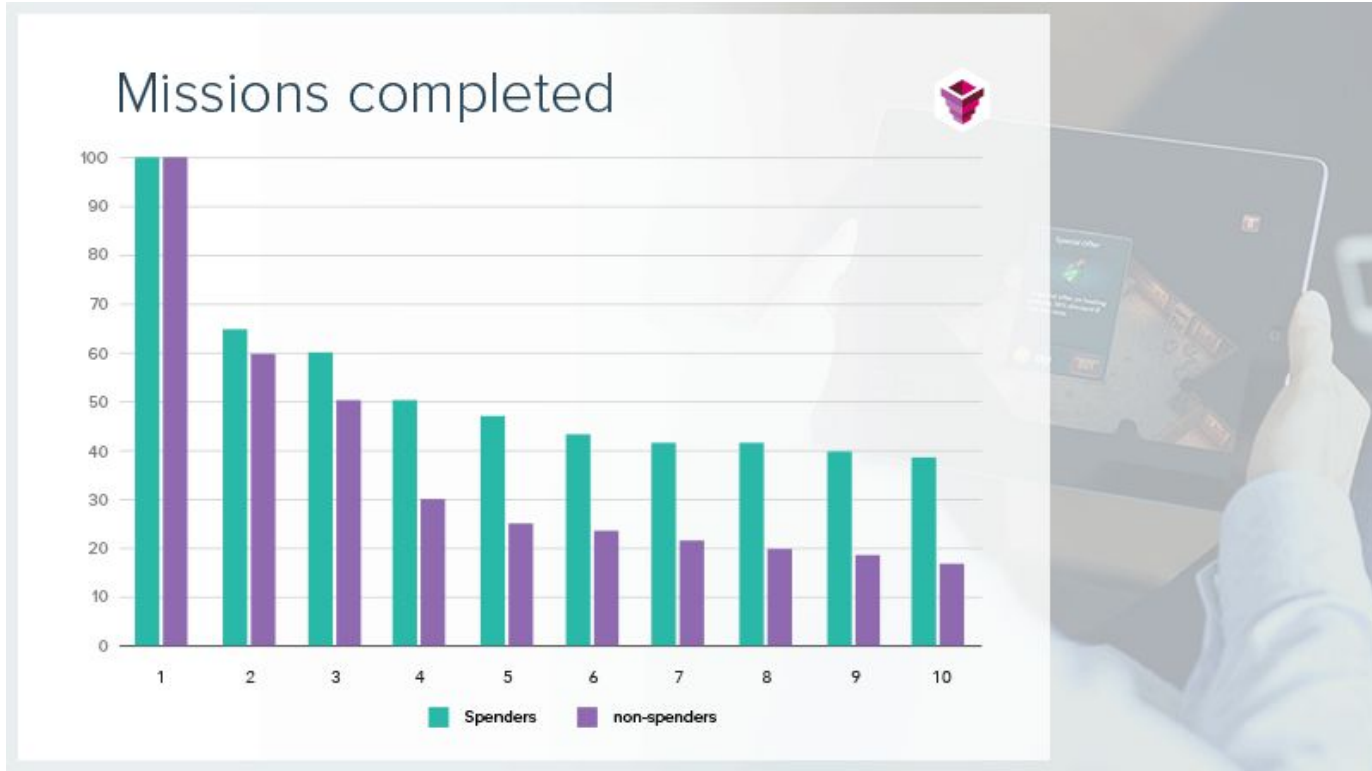
Example

Best Practices

- Name the steps so that they are sortable in an alphabetical fashion
- Use "StepX.Y" notation with leading zeros. (E.g. Step01.05, Step 01.06, etc.)
- Limit comparisons across games
- Understand *total* time through the funnel when judging groups
- Double check your population assumptions...

Bad Population Example

Thanks!

Any Questions?!?

Also, feel free to contact me via LinkedIn!