Product Market Fit

Many new products fail, not because they are badly made, but because not enough people really want them. Product-market fit is the point where a product truly meets the needs of a market. The investor Marc Andreessen made the term popular in 2007, describing it as being in a good market with a product that can satisfy that market. It usually comes after problem-solution fit, when a team has already shown that its idea solves a real problem. Product-market fit goes one step further: it shows that enough customers want the product, keep using it and pay for it.

1. The Signs of Fit

When a product fits its market, the difference is easy to feel. Customers come back again and again, without being pushed. They recommend the product to friends and colleagues, so new users arrive by word of mouth. Demand starts to pull the company forward, and the team struggles to keep up with requests. Before fit, by contrast, the team has to push every sale, and many users quietly leave.

Example: a small bakery knows it has found fit when people queue before it opens and bring their friends along.

At work: Youssef, a product manager, leads a team that has built an online booking tool for small clinics. For months, every new clinic needed a long sales call, and many stopped using the tool after a few weeks.

2. How to Measure It

Feelings are useful, but product-market fit should also be measured. A well-known test comes from the growth expert Sean Ellis. Users are asked how they would feel if they could no longer use the product. If about forty percent or more answer very disappointed, the product has probably reached fit. Retention is a second strong measure: when the share of users who stay levels off instead of falling towards zero, a loyal group of customers has formed.

Example: a gym can count how many new members are still training after three months.

At work: Youssef runs the Sean Ellis survey, and only eighteen percent of the clinics say they would be very disappointed. His retention chart keeps falling, so he knows the tool has not reached fit yet.

This document is a property of Asaseeyat Academy - © Copy Right Protected.

3. How to Reach It

Product-market fit is rarely found at the first attempt; it is reached step by step. The first step is to focus on one clear customer segment, instead of trying to please everyone. Next, the team listens closely to its most enthusiastic users and learns what they value most. Then it improves the product in small, fast cycles and measures the result each time. Sometimes the answer is to change the target market, not the product.

Example: a food truck that tries many dishes may find that one dish sells out every day, and build its menu around it.

At work: the survey shows that dental clinics love the tool, while other clinics hardly use it. Youssef focuses on dental clinics and adds the appointment reminders they ask for. After two cycles, forty-five percent of them say they would be very disappointed without it.

4. What Comes After Fit

Once fit is reached, the priority changes from searching to scaling. Now it makes sense to invest more in marketing, sales and hiring, because growth builds on a product that people truly want. Scaling too early, before fit, usually wastes money and can sink a young company. Fit is also not permanent, because markets, competitors and customer needs keep changing. That is why teams keep measuring and listening, even after success.

Example: a café that is full every day may open a second branch, but only after the first one works well.

At work: with clear fit among dental clinics, Youssef's company hires two new salespeople and launches a campaign for dentists. The team still checks the survey and the retention chart every quarter.

Conclusion

In summary, product-market fit means a good market and a product that truly satisfies it. We can see it in loyal customers, strong recommendations and demand that pulls. We can measure it with the very disappointed test and with retention. We reach it by focusing on one segment, listening and improving step by step, and only then do we scale. Before spending on growth, it is worth asking one honest question: do customers really want what we offer?

This document is a property of Asaseeyat Academy - © Copy Right Protected.