

Growth Hacking



generation
tux

Bogdan Constantin

Key Question:

How do we utilize branding and digital advertising to **scale a business profitably?**

Agenda

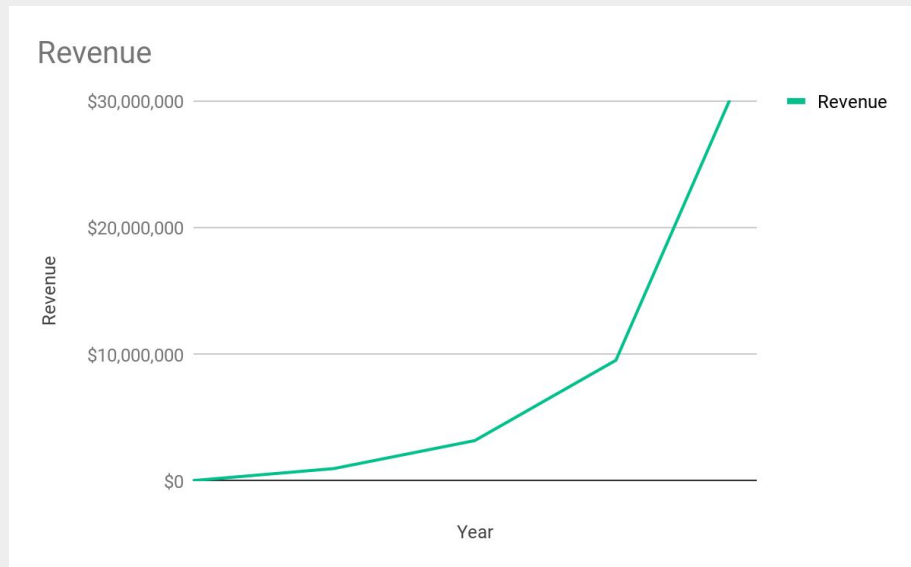
1. Background
2. Growth Hacking
3. How It Works
4. Tools, Tips and Tricks
5. Hands On + Questions

Who I am



- Entrepreneur
- Self-taught marketer
- Exited Menguin
- CMO @ Generation Tux
- Passionate about helping other business owners

Some background



- Scaled from \$0 to \$25M acquisition by GT in 2017
- Highest rated online rental company in US
- \$30k initial marketing budget
- 4 full time marketing employees at exit



Entrepreneur

Forbes



BuzzFeed

Inc.



What is Growth Hacking?

Growth hacking is a process of **rapid experimentation** across marketing channels and product development to identify the **most effective, efficient ways to grow a business**.

Checkout

19.2% CTR
\$8m revenue

VERSUS

Checkout

24.6% CTR
\$10m revenue

Growth Hacking

We nailed the color, but what about the words?

Checkout

24.6% CTR
\$10m revenue

VERSUS

Let's do this!

26.8% CTR
\$11m revenue

Growth Hacking

Is our button shape too rounded? Nope.

Let's do this

26.8% CTR
\$11m revenue

VERSUS

Let's do this!

22.2% CTR
\$9m revenue

Growth Hacking

Growth Hacking applies to anything that involves the customer process. From images to colors to fonts, in advertisements on and off site. It is an **iterative process that touches the entire customer journey.**

Quick Glossary

1. CAC – cost per acquisition, how much it costs to acquire a paying customer
2. CPA – cost per account, how much it costs to acquire an account for your site
3. Unit economics – how much you make per customer after acquisition costs and variable costs or COGS
4. Growth hacking – iterative testing of different components to increase conversion rates along the customer funnel and path
5. Landing page – the page a customer lands on from an external source
6. Cohort – group of customers who share an acquisition quality

Sure, but what does that mean?

Simple - we're gonna focus on improving 1 key metric that's going to enable us to grow our business profitably.

Our North Star metric

At Menguin our North Star metric was: **Invites Sent**

What drives your business?

Growth Economics

Unit Economics represent how much incremental margin you make per customer.
Effectively, it is:

How much you make in gross margin per customer

-

How much you pay per customer

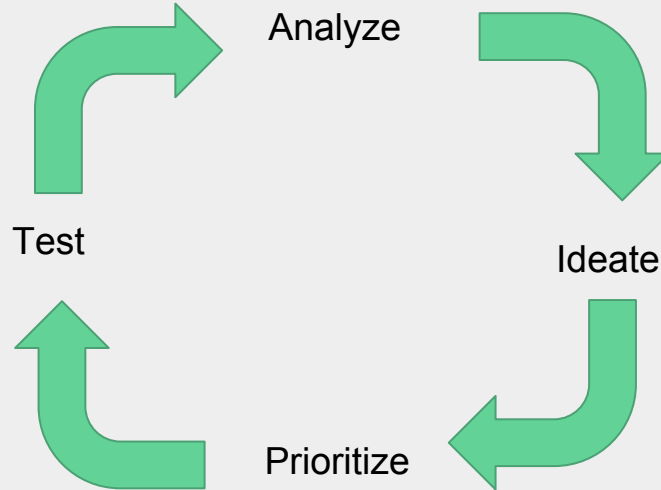
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Unit economic profitability

Just like in basic economics, you theoretically acquire customers until incremental revenue = incremental cost.

How do we do this?

By building a repeatable
scalable, process



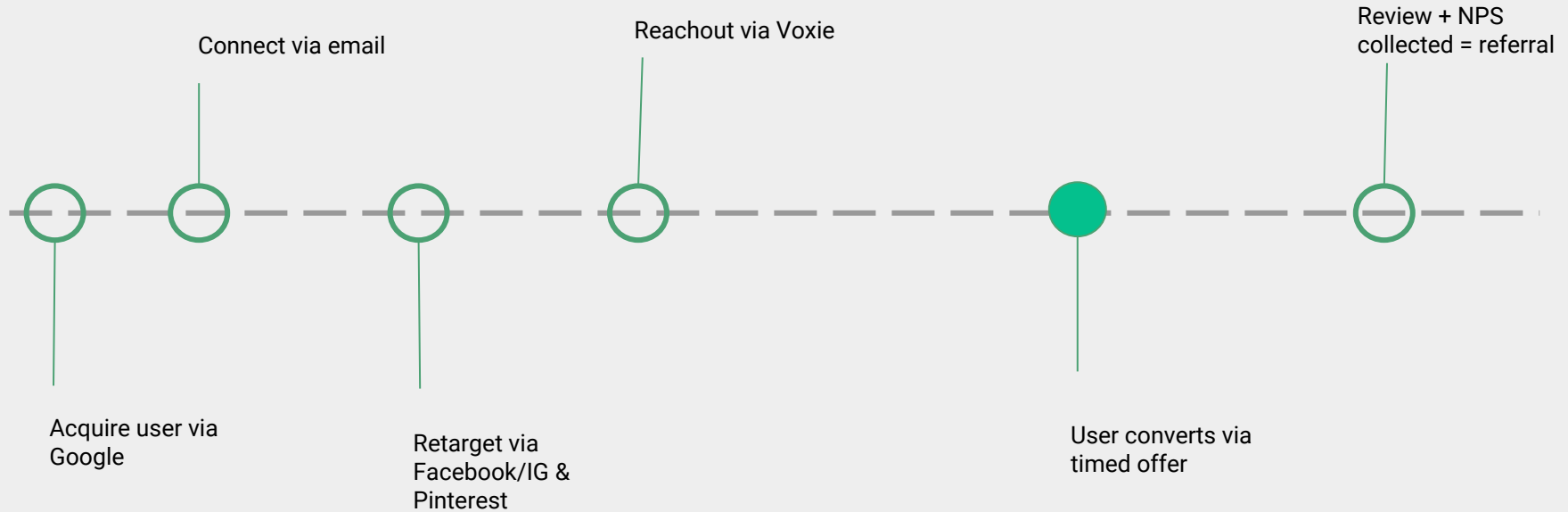
What can we hack?

1. Acquisition - ads to drive customers to the site (FB, IG, PIN, GOOGLE)
2. Activation - the funnel/experience to get a prospective customer to give us their info/engage with product (Google Optimize)
3. Retention - our funnel is long - the messaging, offers, value and engagement tech we use to bring them back (ESP + Voxie)
4. Monetization - how do we get the customer to give us money as fast as possible (Offers + Optimized Communication)
5. Viral Cycles - how do we get customers who LOVE US - to tell their friends to use us - scaling trust (ESP + Voxie + Delighted)

What do we need? A \$29 marketing stack

1. Analytics - Google Analytics
2. Funnel - Mixpanel (free up to 1000 users/month)
3. Google Optimize (free)
4. Email Service Provider - Mailchimp, Drift, Constant Contact etc (\$10-\$100/month)
5. Peer-to-Peer Texting (Automation) - Voxie (\$19/month)

Sample User Journey - all hackable



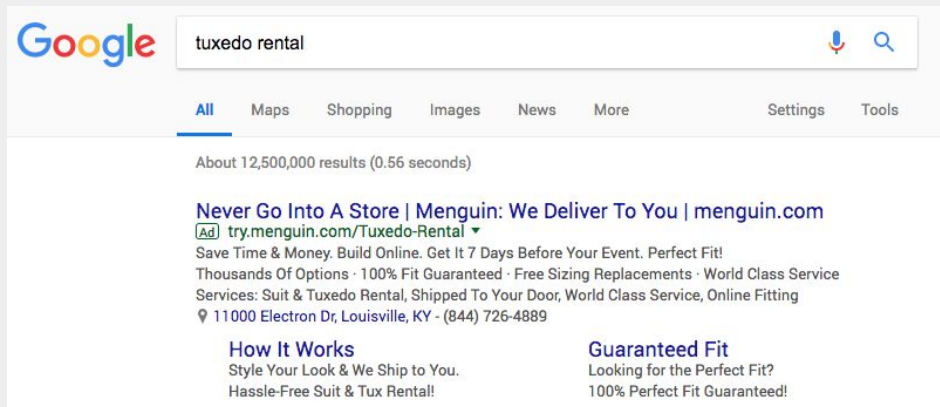
Growth - Acquisition

Places we can hack:

1. Google
2. Pinterest
3. Facebook/Instagram
4. Youtube/Display

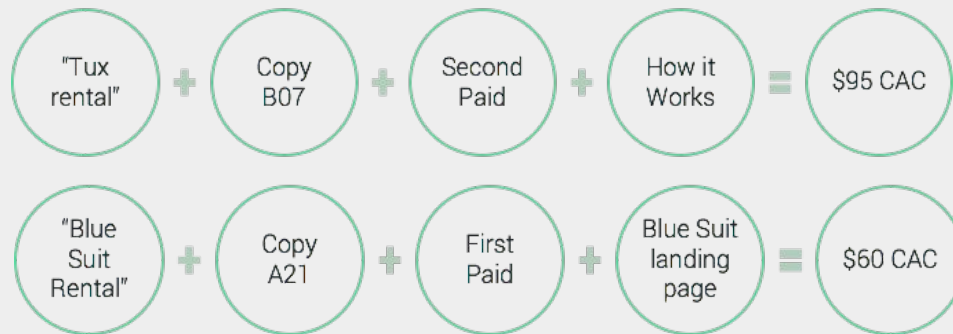
Overarching principle: Intermix

Acquisition - Google

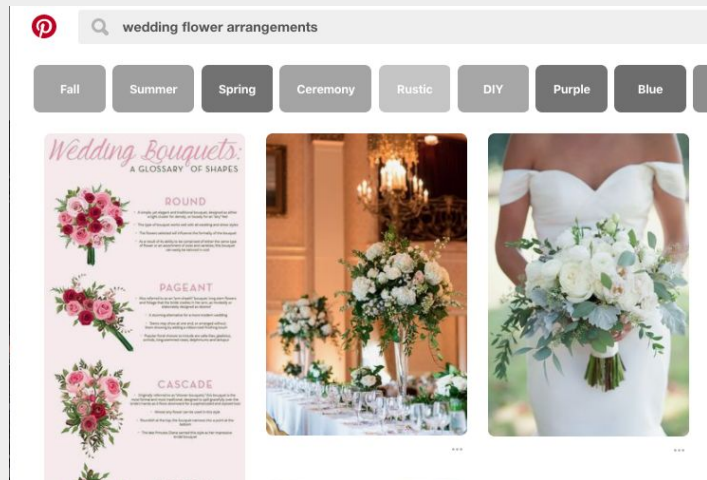


High intent and lower funnel - a great combination.
Great first touchpoint.

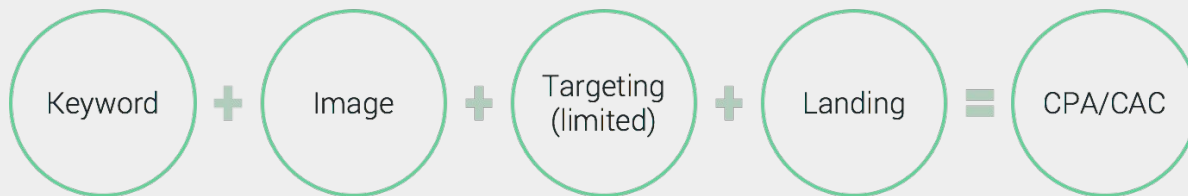
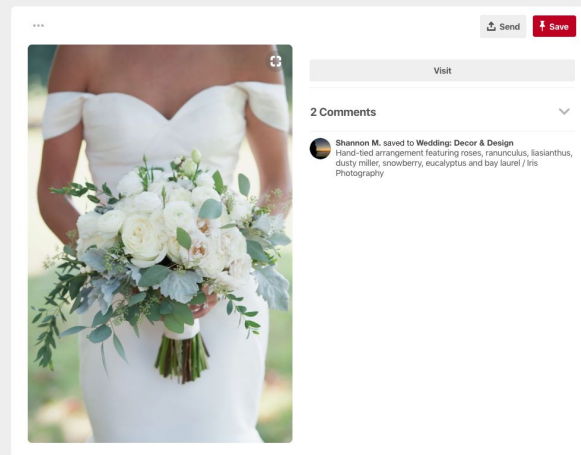
How does growth hacking work in paid search?
Below are the key variables to test.



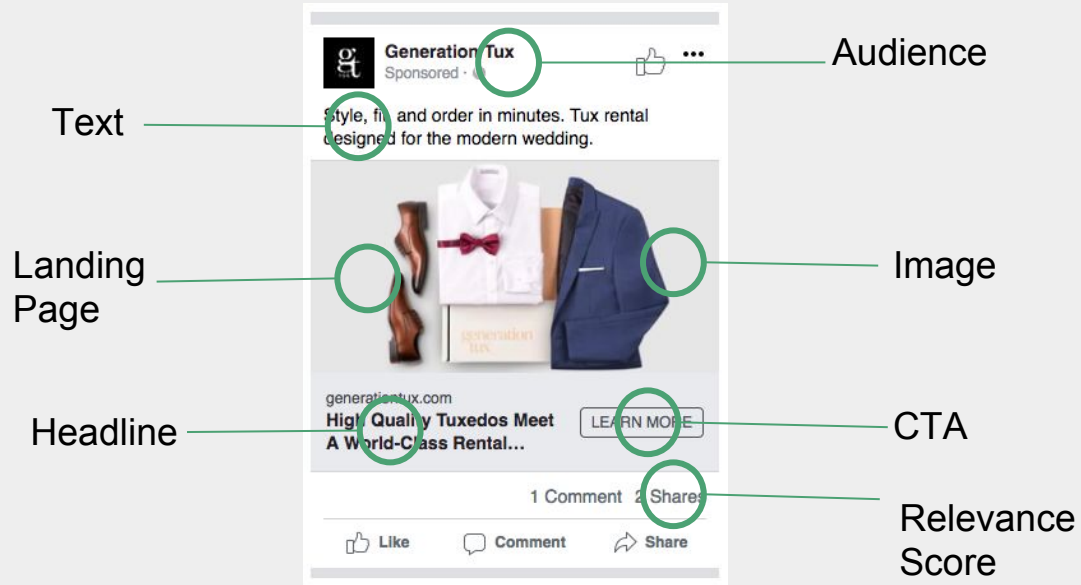
Acquisition - Pinterest



Great top of funnel awareness. Ideal for retargeting - limited tracking and reach.



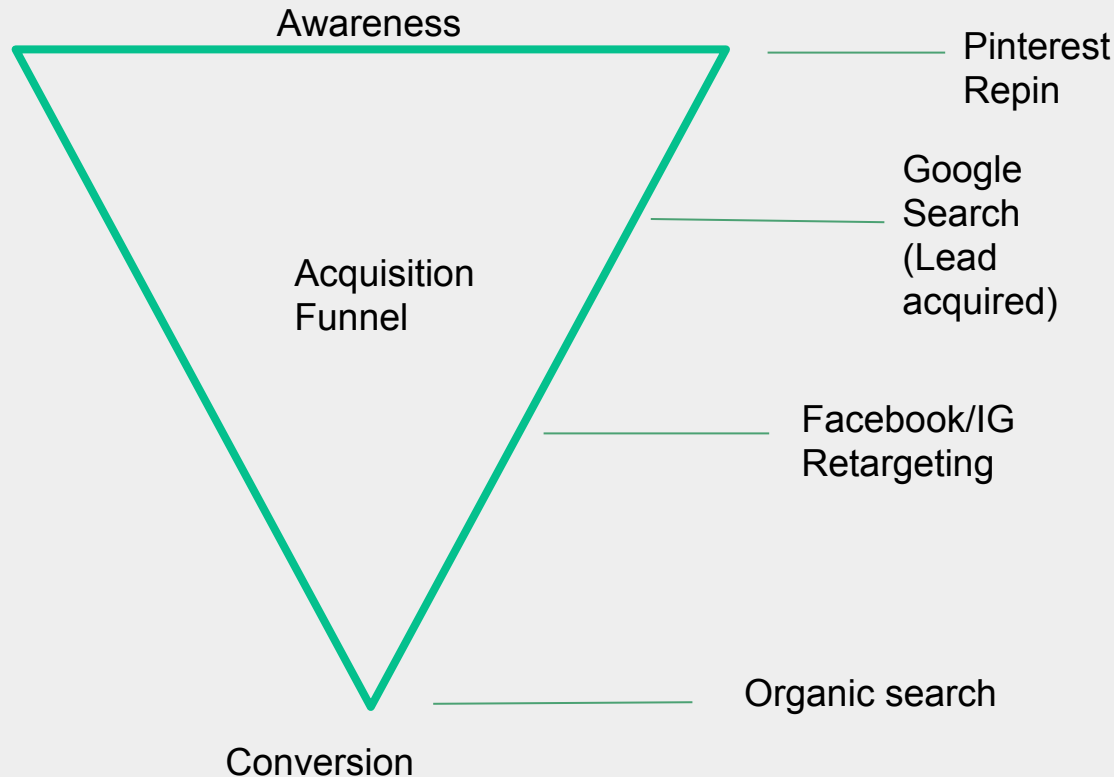
Acquisition - Facebook/Instagram



Acquisition - Use Them All

The key is no one channel will do it all for you - the true opportunity is optimizing channel by use case to bring down cost of acquisition.

Best tools for analyzing:
Google Analytics
Mixpanel



Growth - Conversion

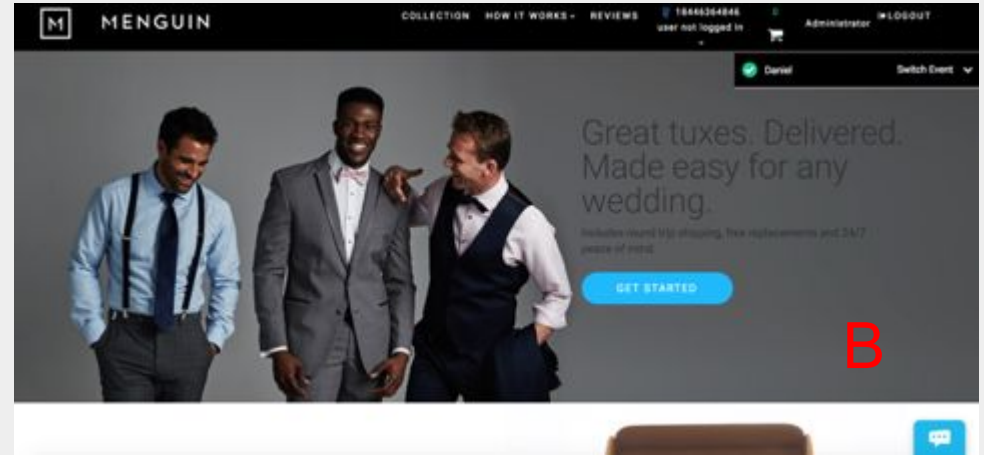
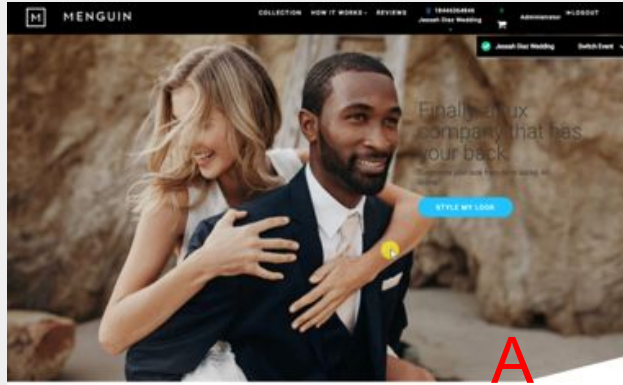
Activation + Retention + Monetization

What can we hack:

1. Site
2. Messaging
3. Value

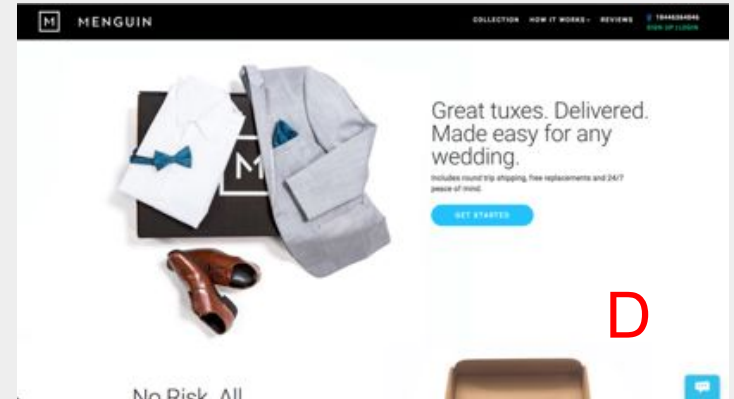
Overarching principle: TIME

Conversion - Site



-Copy
-Images
-Flow

Recommended
tool: Google
Optimize



Conversion - Messaging

Use digital communication to drive conversion and build authentic relationships

Email - good for transactional interactions and content distribution, lightly staying top of mind

Messenger (FB/IG/Twitter) - excellent mid-funnel demand creation

SMS Texting - Perfect overlay for authentic relationship building

Recommended Tools:

Email: Drip/Mailchimp

Texting: Voxie

Messenger: Chatfuel

Conversion - Value Based Offers

What does your customer want?

When do they want it?

Test value based incentives at different parts of the buying cycle

Conversion - Time

Site:

- What do I experience first time?
- What do I experience 4th time?

Communication:

- When do you email me?
- When do you text me?
- When do I engage?

Value:

- What do I want?
- When do I want it?




Growth - Virality

Places we can hack:


1. Reviews solicitation
2. Review placement
3. Referrals

Virality - Reviews



1. Survey
2. Segment
3. Incent

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Virality - Placement

Social proof = millennials marketing secret sauce

Drive customers to your reviews



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... quality of your *first aid kit*, bag, contents, or if your ...

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Get it by **Wednesday, Apr 4**

More options available:
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Product Features
Clean, Treat and Protect with this *First Aid Kit*

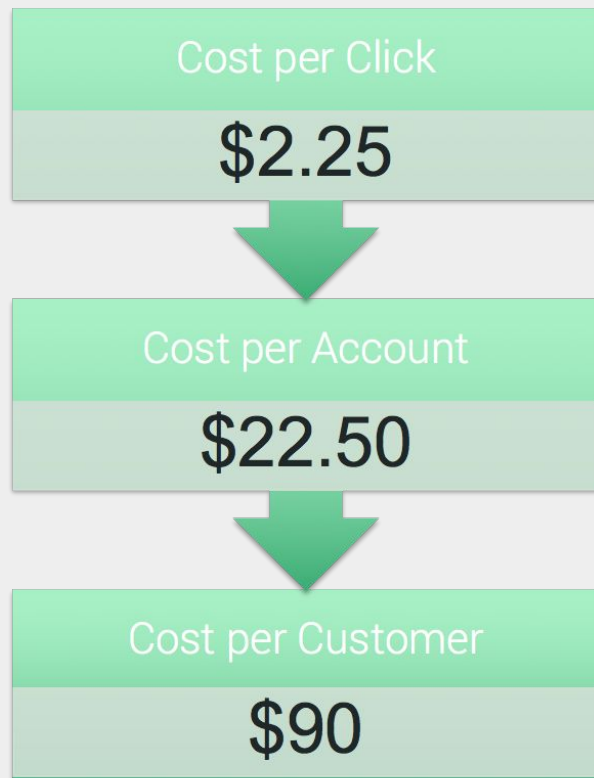
Virality - Referrals

Cultivate your best customers and **incent** them to refer you to their friends.

Unit economics per customer - incentive to past customer > CAC

Growth Economics

For the example, the CAC (or cost per acquisition) is \$90. With a gross margin of \$120, we make \$30 in unit profit per customer.



Growth Economics

What if we change our ad from earlier to get a lower cost per click?

We have lowered our CAC from \$90 to \$60. Increasing unit profitability from \$30 to \$60.



Best Way To Maximize Growth Hacking

1. Start small - don't do everything at once
2. Focus on the lowest hanging fruit
 - a. Reviews
 - b. Site Improvements
 - c. Messaging
 - d. Acquisition Tests
3. Get in where you fit in - remember your wedding timeline

“A good plan, violently executed now, is much better than a perfect plan tomorrow.” Gen. George Patton

Questions

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