



# Crafting a Growth Loop

Craft Snacks: User Acquisition and Growth Plan

# Overview

- Inspecting the Landscape
  - Business Goal and Product Strategy
  - Growth Components and Metrics
  - Target Personas
- Mapping Out the Path to Growth
  - Growth Problem Framing
  - The Growth Loop
  - Growth Hypotheses
- Validating the Path to Growth
  - A/B Testing Plan
  - Analysis and Next Steps
- Developing the Future Growth Vision
  - Growth Risks
  - Product Market Expansion Opportunity
  - Growth Loop Expansion



# Inspecting the Landscape

# Business Goal & Product Strategy

## Business Goal

- Goal: *Grow the number of new monthly subscribed users.*
- Objective: *Achieve a 20% month-over-month increase over the next quarter.*

## Product Strategy

- Strategy: *Engaging existing customers with our product in a meaningful way while sharing its value hoping to drive more new users to realise and trust the product faster.*
- Existing Customers
  - *Engaging them with our product in a meaningful way while sharing its value.*
- Potential Customers
  - *Drive more new users to realise and trust the product value.*

# Growth Components

## Growth Components Along the User Journey

User Journey	Growth Components	Business Metrics
Acquisition	<i>Online Ads, Search Engines and Social Media</i>	<ul style="list-style-type: none"><li>• <i>Monthly visitor session</i></li><li>• <i>Lead generation rate by channel</i></li></ul>
Activation	<i>A landing page that explains the value proposition of Craft Snacks</i>	<ul style="list-style-type: none"><li>• <i>Conversion Rate of new visitor</i></li><li>• <i>New monthly subscribed user</i></li></ul>
Retention	<i>Track orders, manage preferences and share reviews</i>	<ul style="list-style-type: none"><li>• <i>Monthly subscribed user</i></li><li>• <i>Monthly active user</i></li></ul>
Revenue	Monthly subscription model	N/A
Referral	<i>N/A - No formal referral program, informal word of mouth growth</i>	N/A

# Growth Metrics

- Primary Metric
  - *Monthly conversion rate (new users)*
- Secondary Metrics
  - Upstream
    - *Lead generation by channel*
    - *Monthly visitor session*
    - *New monthly subscribed user*
  - Downstream
    - *Monthly subscribed user*
    - *Monthly active user*

# Target Persona

## Key Characteristics

### 1. Existing Customers

- A. *Love the element of surprise.*
  - a. *The majority of Craft Snacks customers are those who love new experiences. They often describe how they look forward to Craft Snacks and its “element of surprise.”*
- B. *Share experience on Social Media*
  - a. *36% of customers have posted pictures of the snack box on social media*
- C. *Point a favourite snack*
  - a. *45% of customers are able to point to “a favourite snack” and have taken some form of action to try to obtain it again*

### 2. Potential New Customers

- A. *Willingness to try new snacks*
  - a. *“I am interested in trying out new snacks”*
- B. *Love the website design*
  - a. *“The website looks really fun and piqued my interest”*
- C. *Concerned if the product does not arrive*
  - a. *“What if the order doesn’t arrive?”*
- D. *Concerns about the packaging*
  - a. *“What if the snack is poorly packaged”*
- E. *Concerns if there is not many snack options to choose from*
  - a. *“What if I don’t like the majority of the snacks there?”*



# Mapping Out the Path to Growth

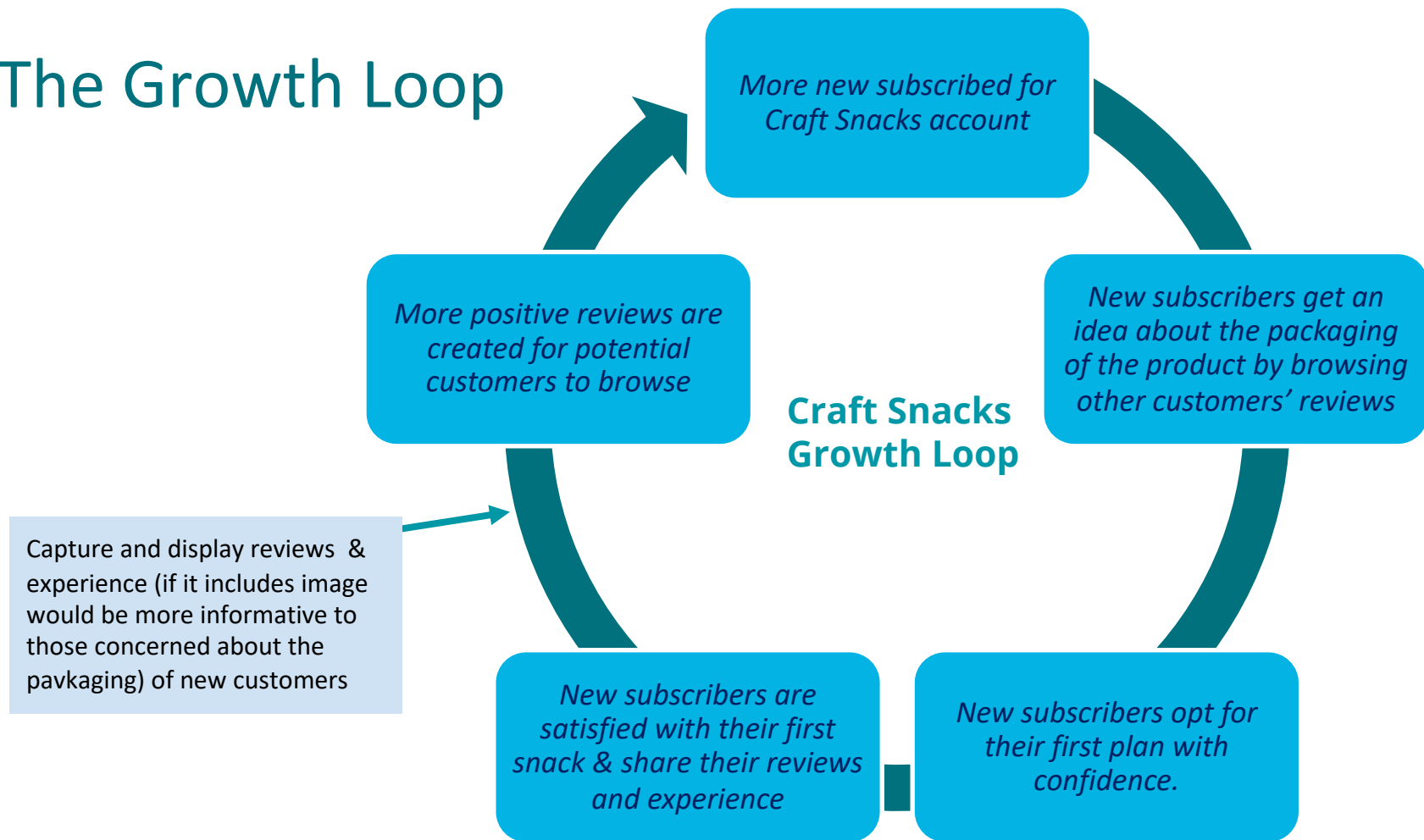


# Growth Problem Framing

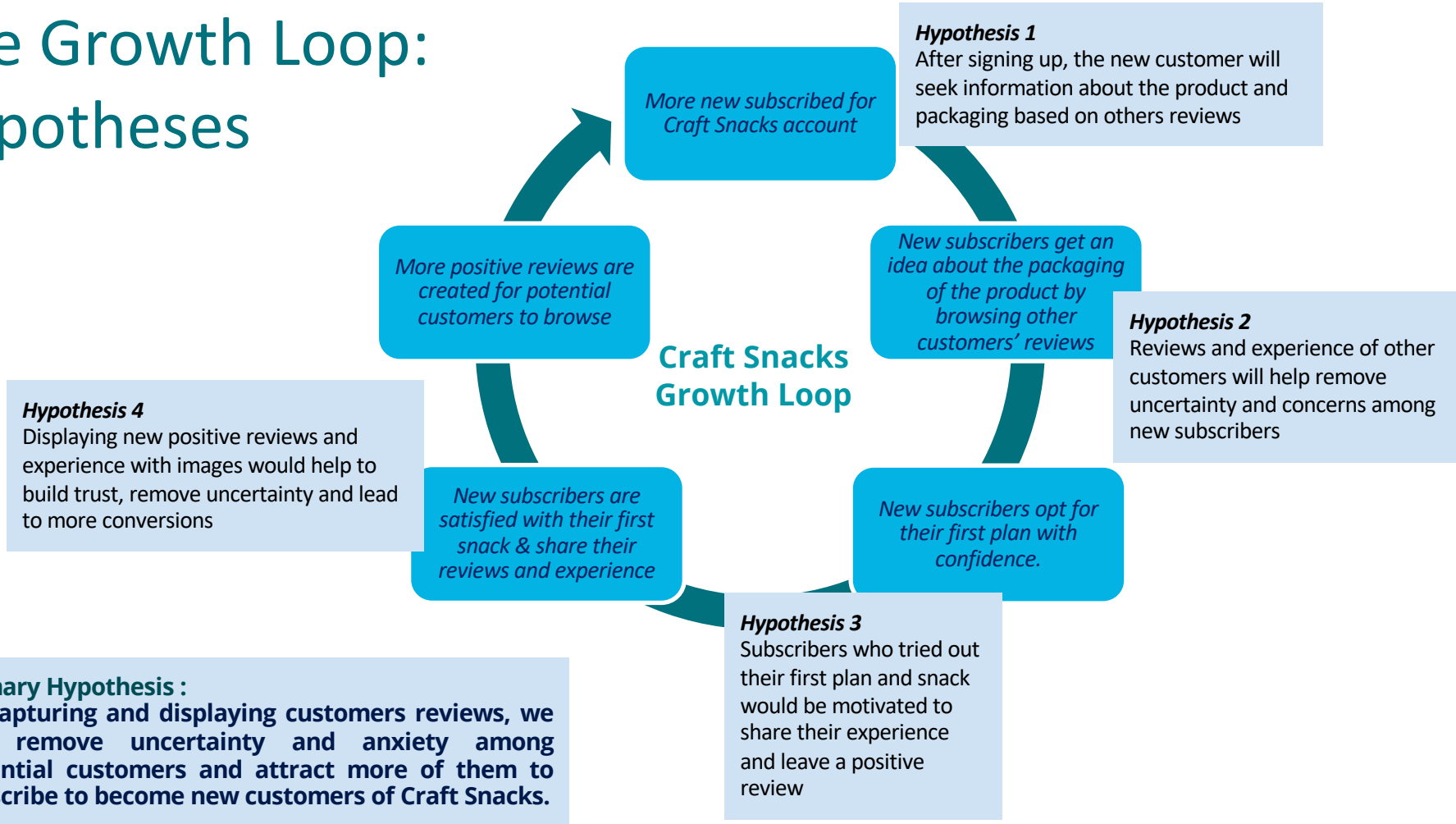
How can we leverage **existing resources** and **the value it unlocks** to overcome **hurdles** and achieve our goal?

<b>Hurdles</b> <ul style="list-style-type: none"><li>● <i>Some users are concerned if the product does not arrive</i></li><li>● <i>Some users concerned about the packaging (poor packaging )</i></li></ul>	<b>Goal</b> <ul style="list-style-type: none"><li>● <i>Achieve a 20% month-over-month increase in new monthly subscribed users over the next quarter.</i></li></ul>
<b>Resources</b> <ul style="list-style-type: none"><li>● <i>Actual users are posting their experience online, which can help potential customers to have a clear vision what they can expect, the packaging etc.</i></li><li>● <i>Existing customers love the craft snacks and its element of surprise, and this can help consumers who are concerned if they don't like the majority of snack to go for this option and experience new snacks.</i></li></ul>	<b>Value</b> <ul style="list-style-type: none"><li>● <i>Sharing experience online by customers is a good way to generate eWord of Mouth (eWOM) and build a strong online reputation.</i></li><li>● <i>Element of surprise can be an added value, especially to inform those who are concerned if they do not like the majority of snacks that they can opt for option and experience new things.</i></li></ul>

# The Growth Loop



# The Growth Loop: Hypotheses



# Growth Hypotheses

## Primary Hypothesis

- By capturing and displaying customers reviews, we can remove uncertainty and anxiety among potential customers and attract more of them to subscribe to become new customers of Craft Snacks.

## Secondary Hypotheses

- A. After signing up, the new customer will seek information about the product and packaging based on others reviews
- B. Reviews and experience of other customers will help to remove uncertainty and concerns among new subscribers
- C. Subscribers who tried out their first plan and snack would be motivated to share their experience and leave a positive review
- D. Displaying new positive reviews and experience with images would help to build trust, remove uncertainty and lead to more conversions



# Validating the Path to Growth

# A/B Testing: Goal and Metric

- **Primary**
  - *Does capturing and displaying customers reviews reduce uncertainty and anxiety, which will lead to more customers?*
    - **Metric:** *New Monthly Subscribed Users*
- **\*Secondary**
  - *Does allowing customers to write a review after their experience results in an actual review?*
    - **Metric:** *% of reviews .*
    - **Rationale:** *this can help us assess whether subscribers leave reviews after their fist snack or not.*
  - *Does displaying customers' reviews lead to more conversion and sign ups?*
    - **Metric:** *% of conversions of those who saw reviews and those who did not.*
    - **Rationale:** *by running this experiment we can know for sure if customers reviews are informative and help in conversion of new customers.*

*\* If the primary hypothesis was proven wrong, we need to examine our secondary hypotheses to know where along the loop did we form a wrong hypothesis*

# A/B Testing: Audience and Setup

## Test Audience

- Target Audience: *Unique visitors (New visitor session).*
- Rationale: *Because our goal is to increase the number of new monthly subscribed users, we won't be focusing on existing customers but new ones instead. So, our main focus is to convert visitors into subscribers.*

## Test Setup

- A. Control - *50% of the visitors can view other customers' reviews and shared experiences.*
- B. Variant - *50% of the visitors cannot view the reviews and shared experience of other subscribers.*

# A/B Testing: Risks

- Risk: *Some subscribers might leave a negative review and not a positive one*
  - Mitigation: *Displaying negative reviews are essential because, they'll indicates the transparency of the platform and let customers choose the best option that suits them (e.g., choose the right snack). But, these negative reviews can contains some fraudulent reviews, and this might cause trouble for the business, because the purpose of fake reviews is to damage business' reputation, if that's the case, we might consider develop an algorithm to detect fake reviews to help mitigate their impact.*
- Risk: *Some subscribers might not be willing to leave a review at all.*
  - Mitigation: *To mitigate this risk, we can lead the customers to a **Thank You** page after the completion of goal where we can thank them and encourage them to leave a review. Moreover, for those who don't want to leave a review in the **Thank You** page as well, we can schedule a follow-up email to them.*



# Analysis and Next Steps

- If the experiment succeeds, what we expect to see: *We expect to see a significant increase in **New Monthly Subscribed Users**, which means that our primary hypothesis is proven true. Mainly, we could observe that users would be interested in browsing reviews of other customers, and new customers would be motivated to leave reviews on the platform or even share their experience on social media, which will strengthen the business reputation.*
  - Next steps
    - *Add a share button for multiple social media accounts or via email (if some customers want to inform their friends about the product, etc.).*
    - *Displaying positive reviews.*
- If the experiment fails, what we expect to see: *We would see a weak growth (or even no growth) in **New Monthly Subscribed Users**, and this means that our primary hypothesis is proven wrong. We would observe that reviews are being ignored by visitors, and we might observe that less reviews are created on the platform.*
  - Next steps
    - *Conduct an analysis about the reviews that have been created, whether the majority of them are positive or negative, and try to find out some patterns in those reviews. For instance if the negative reviews are talking about the same issues, then we can start from there and create better experience for customers.*
    - *For those customers who do not want to share their experience and reviews, if we found this significant, then a better thing to do is to target these customers via email and try to find out what prevent them from posting reviews and sharing their experience.*



# Developing the Growth Vision

# Growth Risks

- **Customer Retention**

- **Problem:** If we can not retain customers, we won't be able to continue to drive growth.
- **Solution:** As we continue to acquire more users to sign up, we need to continue to ensure the acquired customers are happily engaged and stay with us and not causing churn.

- **Market Saturation**

- **Problem:** The ready-to-go snacks market is becoming more and more competitive, we find many restaurants adopting delivery service and customers can order from them instead.
- **Solution:** Craft snacks already established a good reputation by the variation of its themes. Once the market reaches saturation, we need continue to differentiate ourselves from other competitors, we might consider other ways to expand our market or target other customers (e.g., snacks for a party).

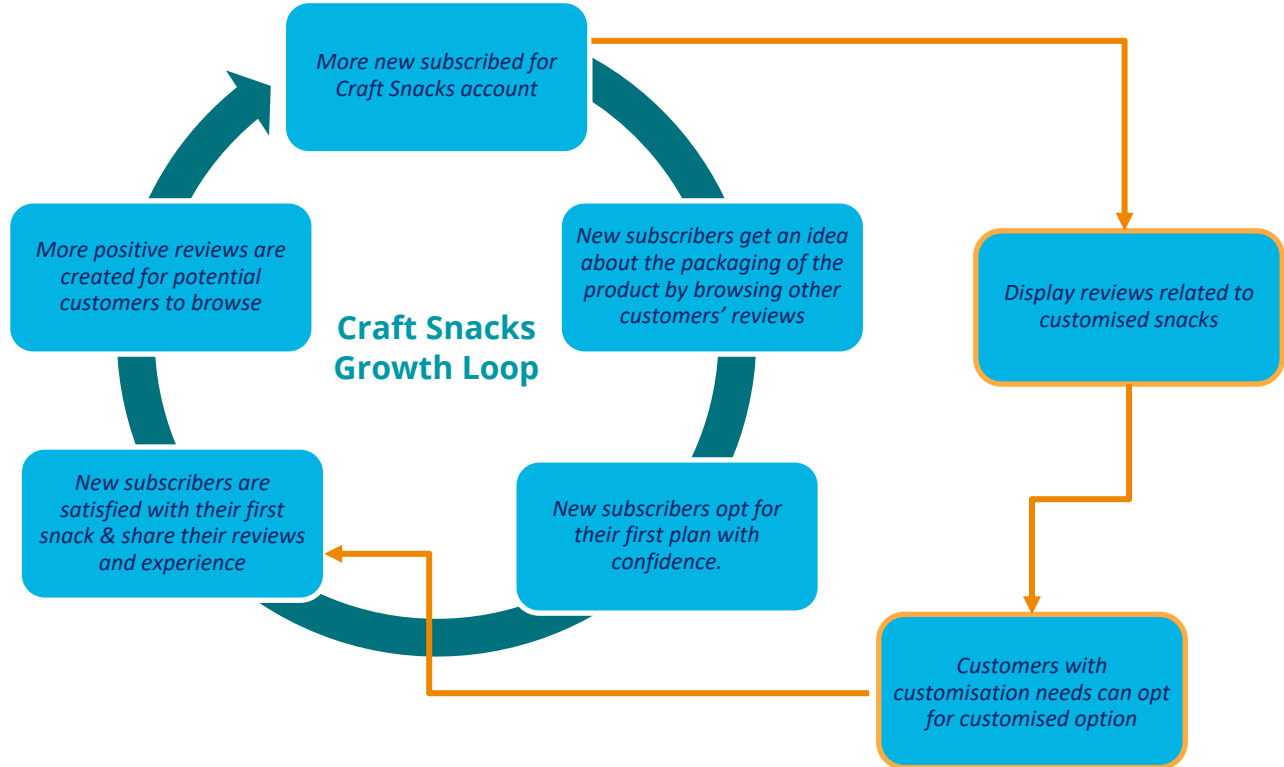
- **Single Product and Market**

- **Problem:** Craft snacks target a single market and if our current product line fails or hits a growth ceiling, we need to ensure we have other products that can grow.
- **Solution:** We can extend our product line by targeting party organisers for example and opt for B2B relationship not only B2C.

# Product Market Expansion Opportunity

Markets	New	<p><i>Market Expansion - existing offerings, new markets</i></p> <ul style="list-style-type: none"><li>• <b>Product:</b> <i>Target a party (or event) organisers.</i></li><li>• <b>Rationale:</b> <i>with the same products, we can expand our reach and grow more users.</i></li></ul>	<p><i>Diversification - new offerings, new markets</i></p> <ul style="list-style-type: none"><li>• <b>Product:</b> <i>We can allow our employees (chefs) to work with event (weddings or conference, etc.) organisers to customise their product work on their demand.</i></li><li>• <b>Rationale:</b> <i>A brand new product line that targets new market.</i></li></ul>
	Existing	<p><i>Market Penetration - existing offerings, existing market</i></p> <ul style="list-style-type: none"><li>• <b>Product:</b> <i>Share reviews about existing products.</i></li><li>• <b>Rationale:</b> <i>Encourage word of Mouth to attract new customers in the same market.</i></li></ul>	<p><i>Product Development - new offerings, existing market</i></p> <ul style="list-style-type: none"><li>• <b>Product:</b> <i>Allow customers a customise their snacks (mix multiple features of different themes or add some deserts, or without sauce, etc.).</i></li><li>• <b>Rationale:</b> <i>This feature could help in retaining customers by providing some sorts of control for them.</i></li></ul>
		Existing	New
Product and Services			

# Growth Loop Expansion



# Growth Plan Summary and Rationale

## Original Growth Loop

- **Focus:** *Our focus is to grow the number of monthly new subscribed users. By capturing and displaying customers reviews, we can remove uncertainty and anxiety among potential customers and attract more of them to subscribe for Craft Snacks account. The original growth loop falls into the market penetration quadrant because it focuses on making the existing products the best option for potential customers.*
- **Rationale:** *By displaying these reviews to new visitors, we can remove their uncertainty about the packaging or other concerns and encourage them to subscribe. This would help the business continue to grow and attract more new subscribers in the existing market, which is aligned with the business goal.*

## Expanded Growth Loop

- **Focus:** *The expanded growth loop falls into the product development quadrant. Allowing customers to customize their snacks and (e.g., add desert or snack without sauce) is aligned with the business goal, because this new experience will be an added value and customers did not find the best option that suits them, they can customize their snacks, and this expand our reach and increase the new users.*
- **Rationale:** *By adding this feature, we can add a brand new product line and reach those customers who do not like the majority of the snacks offered, which will help us expand the reach of our business and attract more new subscribers.*