CHAPTER THREE

Bullseye

With nineteen traction channels to consider, figuring out which one to focus on is tough. That's why we've created a simple framework called Bullseye that will help you find *the channel* that will get you traction. As billionaire PayPal founder and early Facebook investor Peter Thiel put it:

> [You] probably won't have a bunch of equally good distribution strategies. Engineers frequently fall victim to this because they do not understand distribution. Since they don't know what works, and haven't thought about it, they try some sales, BD, advertising, and viral marketing—everything but the kitchen sink.
>
> That is a really bad idea. It is very likely that one channel is optimal. Most businesses actually get zero distribution channels to work. Poor distribution—not product —is the number one cause of failure. If you can get even a single distribution channel to work, you have great business. If you try for several but don't nail one, you're finished. So it's worth thinking really hard about finding the single best distribution channel.

We use the name Bullseye for our three-step framework because you're aiming for the Bullseye—the one traction channel at the center of the target that will unlock your next growth stage.

THE OUTER RING: WHAT'S POSSIBLE

The first step in Bullseye is brainstorming every single traction channel. If you were to advertise offline, where would be the best place to do it? If you were to give a speech, who would be the ideal audience? Imagine what success would look like in each channel, and write it down in your outer ring.

Everyone starts off with biases. The outer ring is meant to help you systematically counteract your traction channel biases. It is important that you not dismiss any traction channel in this step. You should be able to think of at least one idea for every channel. In practice, a lot of founders mess up this step by not brainstorming long and deep enough to get useful ideas for each channel.

For each channel, you should identify one decent channel strategy that has a chance of moving the needle. For example, social ads is a traction channel. Specifically running ads on reddit, Twitter, or Facebook is a channel strategy within social ads. Through brainstorming, identify the best channel strategy you can think of in each of the nineteen traction channels.

In terms of research to feed your brainstorm, this book is a good start, but you should get much more specific to your company. You should know what marketing strategies have worked in your industry, as well as the history of companies in your space. It's especially important to understand how similar companies acquired customers over time, and how unsuccessful companies wasted their marketing dollars.

THE MIDDLE RING: WHAT'S PROBABLE

The second step in Bullseye is running cheap traction tests in the channels that seem most promising. Go around your outer ring and promote your best traction channel ideas to your middle ring.

It is often the case that there are a few truly exciting and promising channel ideas in your outer ring. Stop promoting ideas where there is an obvious drop-off in excitement. That drop-off often occurs around the third channel.

We want you to have more than one channel in your middle ring because we don't want you to waste valuable time testing channels sequentially when you can do so equally well in parallel. You can run multiple experiments at the same time because tests take some time to run after they've been set up. Yet doing too many things in parallel leads to errors from lack of focus, which means the number needs to be somewhat low.

For each traction channel in your middle ring, now construct a cheap traction test you can run to determine if the idea really is good or not. These tests should be designed to roughly answer the following three questions:

1. How much will it cost to acquire customers through this channel?
2. How many customers are available through this channel?
3. Are the customers that you are getting through this channel the kind of customers that you want right now?

There isn't a single method for testing each traction channel because every business is different. We will cover tactics for organizing and thinking about these tests in the next chapter. You should also get specific ideas for testing each traction channel throughout the rest of the book.

Some founders mess up this step by prematurely scaling their marketing efforts. Keep in mind that, when testing, you are not trying to get a lot of traction with a channel just yet. Instead, you are simply trying to determine if it's a channel that *could* move the needle for your startup. Your main consideration at this point is speed—to get data and to prove your assumptions.

You want to design smaller-scale tests that don't require much up-front cost or effort. For example, run four Facebook ads versus forty. You should be able to get a rough idea of a channel's effectiveness with at most a thousand dollars and a month of time. Often, it will be cheaper and shorter.

THE INNER RING: WHAT'S WORKING

The third and final step in Bullseye is to focus solely on the channel that will move the needle for your startup: your core channel.

If all went well, one of the traction channels you tested in your middle ring produced promising results. In that case, you should start directing all your traction efforts and resources toward this most promising channel. You hit the Bullseye! You've found your core channel.

At any stage in a startup's life cycle, one traction channel dominates in terms of customer acquisition. That is why we suggest focusing on one at a time, but only after you've identified a channel that seems like it could actually work.

The goal of this focusing step is quite simple: to wring every bit of traction out of your core channel. To do so, you will be continually experimenting to find out exactly how to optimize growth in this traction channel. As you dive deeper into it, you will uncover effective tactics and do everything you can to scale them until they are no longer effective due to saturation or rising costs.

The way this step gets most often messed up by founders is by keeping around distracting marketing efforts in other traction channels. For example, suppose you ran tests in three traction channels: search engine marketing, trade shows, and publicity. Search engine marketing was the most promising, and so you decide to focus on it and make it your core channel. However, your trade show and publicity tests were also successful, albeit much less so.

There is a natural tendency to do more trade shows and publicity because you know they will somewhat work. This is a mistake. Search engine marketing was significantly better, and so you should spend all your efforts on this core channel because uncovering additional strategies and tactics within it will have a greater effect than using these secondary channels. They're distracting.

This is additionally confusing because oftentimes focusing on your core channel involves channel strategies that utilize other traction channels. One channel is still dominant, but others feed into it.

For example, you will see that a focus on search engine optimization (SEO) requires getting links to your site, and a good tactic for getting links is getting publicity (another traction channel). Similarly, viral marketing is often built on email marketing or existing platforms like Facebook (two other traction

==highlight== channels). Yet in both these situations one channel is dominant in that it is your core traction strategy. ==highlight== You're using these other channels to support that strategy, as opposed to pursuing multiple traction strategies at once.

If, unfortunately, no channel seems promising after testing, the whole process should be repeated. The good news is you now have data from all the tests you just did, which will inform you as to what types of things are, and are not, resonating with customers. Look at the messaging you've been using, or dig deeper to see at what point each channel failed to deliver customers. If you go through the process several times and no traction channel seems promising, then your product may require more tweaking. Your bucket is still too leaky.

WHY USE BULLSEYE?

Bullseye is designed to be a straightforward way to direct your traction focus and maximize your results. First and foremost, it forces you to take all the traction channels more seriously than you would otherwise. These steps systematically uncover strategies for getting traction that you wouldn't have found using other approaches.

When we looked at companies really taking off, they were usually employing underutilized channels and channel strategies. If everyone in your industry uses social ads to grow, you might be better off using another channel. However, in this scenario social ads are probably what you know best because that is what everyone is using. Let Bullseye help you break out of your comfort zone and try channels that are unfamiliar because they may be the key to your growth.

Bullseye is also meant to help you zoom in on the best ideas as quickly and cheaply as possible, while still casting a wide net. The traction channel that will ultimately succeed is unpredictable, and time is of the essence. That's why we focus on successive rounds of quick parallel tests. It's simple and it works.

Noah Kagan talked to us about how he used a version of Bullseye at Mint, a site that helps you track your finances and was acquired by Intuit for $170 million. Its initial traction goal was 100,000 customers in the first six months after launch.

Noah and his team brainstormed and picked several traction channels that seemed promising (targeting blogs, publicity, search engine marketing). Then they ran a series of cheap tests in each (sponsored a small newsletter, contacted financial celebrities like Suze Orman, placed some Google ads) to see what worked and what didn't. Noah kept track of the test results in this spreadsheet:

SOURCE	TRAFFIC	CTR	CONVER-SION %	TOTAL USERS	STATUS	CONFIRMED	CONFIRMED USERS
Tech Crunch	300,000	10%	25%	7,500	Friend	Yes	7,500
Dave McClure	30,000	10%	25%	750	Friend	Yes	750
Mashable	500,000	10%	25%	12,500	Emailing	No	0
reddit	25,000	100%	25%	6,250	Coordinated	Yes	6,250
Digg	100,000	100%	25%	25,000	Coordinated	Yes	25,000
Google Organic	5000	100%	15%	750	Receiving	Yes	750
Google Ads	1,000,000	3%	35%	10,500	Bought	Yes	10,500
Paul Stamatiou	50,000	5%	50%	1,250	Friend	Yes	1,250
Personal Finance Sponsorships	200,000	40%	65%	52,000	Coordinated	Yes	52,000
Okdork.com	3,000	10%	75%	225	Self	Yes	225
Total Users				116,725			104,225

After running these experiments, Mint focused on the traction channel that seemed most promising and that could move the needle for its traction goal.