Growth Hacking for Startups

You'll Be AMAZED What Happens Next..

Andy Young // @andyy // andy@500.co

Hi, I'm Andy!

@andyy

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So what is this about
"Growth" anyways?

Andy Young // @andyy // andy@500.co

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What do we mean by Growth?

→ Typically growing your <u>customer/user base</u>

→ *Not necessarily* growing revenue $$$

→ Growing whatever's most strategically important to you right now

What do we mean by Growth?

Growing whatever's <u>most strategically important to you</u> right now:

→ We NEED to grow fast?

◆ We won't succeed unless we reach a certain size - e.g. consumer app:
  - Need to get as many users as possible, since one or more of:
  - Product utility increases with the size of the network (network effects)?
  - We can only ramp up advertising once we reach a certain size?

  - We believe reaching a user acquisition milestone is a **harder thing to achieve** than monetising.

What do we mean by Growth?

Growing whatever's <u>most strategically important to you</u> right now:

➔ We WANT to grow faster?
  ◆ We're investing in growth as a choice of business strategy?
    ● (high-risk, binary-outcome, investment-backed, vs. lower-risk, more tempered outcome, more easily self-sustaining or lifestyle business)
  ◆ Land-grab scenario?
    ● We feel the pressure of competition; if we don't sign people up for our product then someone else will get there first.

Andy Young // @andyy // andy@500.co

What do we mean by Growth?

Growing whatever's <u>most strategically important to you</u> right now:

➔ B2B SaaS example

◆ During growth stage we want to onboard customers and increase MRr

◆ BUT focus on new customers, rather than maximising revenues by upselling to existing customers

➔ **MYTH: ~~Growth hacking is all about B2C!~~**

Let's talk about something <u>REAL</u>

Andy Young // @andyy // andy@500.co

Growth Hacking..? Technical Marketing..?

Call it what you want, teams at <u>high-growth companies</u> are scaling to <u>millions of users</u> without major use of any <u>traditional mass advertising/marketing</u> approaches.

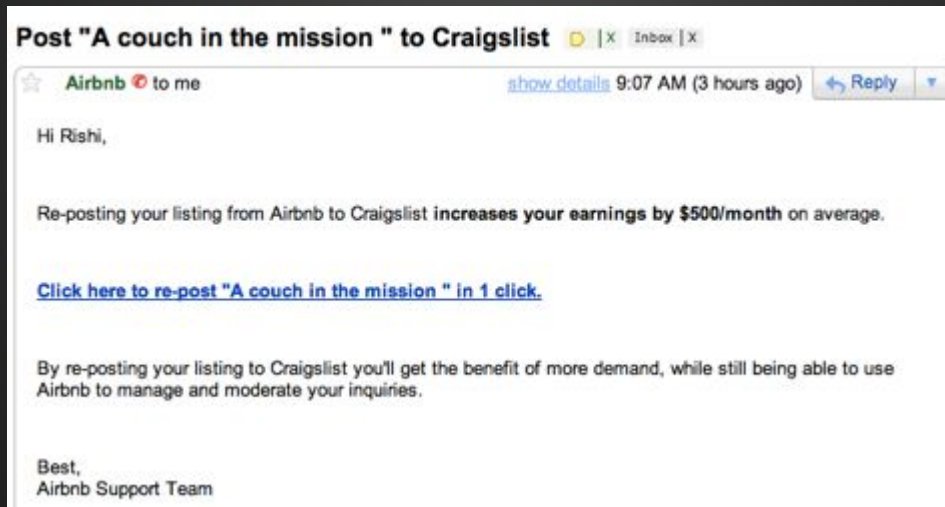Andy Young // @andyy // andy@500.co

The Growth Hacker's Toolbox

- SEO
- Content Marketing
- Performance Marketing (Paid search & display, retargeting)
- Conversion Optimisation (CRO) & A/B Testing
- User testing & UX
- Viral Loops
- Strategic Pricing
- ...

Technical Hacks

AirBnB built on top of Craigslist

Viral Hacks

Hotmail put

"P.s. I love you. Get your free email at Hotmail."

in the footer of every email.

Andy Young // @andyy // andy@500.co

Partnership Hacks

Uber partnered with Telcos to get their App promoted/installed on phones

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What Hacks are NOT

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What Hacks are NOT

There are loads of great tips and hacks out there
Subscribe to 500's "[DISTROSNACK](#)" newsletter!

But following all these cool tips will not itself bring success.

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Things that <u>WILL</u> make a difference

Things with big impact:

★ *Top of funnel*
  - ○ How to reach HUGE new audiences in a cost-effective way

★ *Middle of funnel*
  - ○ Attracting and drawing people deeper into engaging with you

★ *Bottom of funnel*
  - ○ Close to the $$$ - convert higher % and simply make more money!

Andy Young // @andyy // andy@500.co

Growth Hacking Truths

Growth Hacking is finding growth that is:

➔ Measurable

➔ Repeatable

➔ Scalable

Sean Ellis: "Growth Hacking is experiment-driven marketing"

It's a mindset.

Growth Hacking the whole Funnel

★ Acquisition

 ○ Awareness

 ○ Interest

 ○ Understanding of Value

★ Activation - "Wow moment"

 ○ Onboarding / first-time user experience

 ○ Trial

 ○ First transaction / real value obtained

★ Retention

 ○ Avoiding churn

Stages of Growth

➜ Pre-launch: test proposition with customers; learn what you should build.

➜ Beta: fix your shitty product until people like it and stick around/give you €€€

➜ Growth: time to scale. So you got here by doing Things That Didn't Scale - awesome, now it's time to operationalise all that stuff while you explore and build out new acquisition channels.

➜ Scale: optimise, optimise, optimise; keep on top of changing channel effectiveness and emerging opportunities; start to compliment your growth hacking efforts with above-the-line marketing.

Andy Young // @andyy // andy@500.co

Growth Mindset

➔ The world is constantly changing - channel efficiency/effectiveness etc

➔ Experimentation & learnings

➔ Build a machine

➔ Naturally curious

➔ Motivated by helping the customer achieve their goals

Pillars of Growth

What we focus on at the 500 Startups Distro Team..!

➔ Understanding your customer need

➔ Communicating your key value proposition - *copy, messaging..*

➔ Reaching new customers where they are, building trust

➔ Growth engine - how are you going to grow? Eric Ries

➔ Understand your KPIs, metrics, levers and drivers - *Nail down LTV and optimise CAC, payback period and retention*

➔ Select and experiment with appropriate channels

➔ Focus on optimising the funnel, one area at a time

Actionable Advice
for early-stage Startups

Andy Young // @andyy // andy@500.co

Everyone sucks at their first Startup

"I have this great idea of a product that should exist, so I'm building it until I think it's good enough.

When it's ready, I'm going to start creating some buzz about it, and from there I guess.. we'll just add this marketing thing I've heard about? Buy some Google Ads and stuff.."

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Figure Your Sh** Out

➔ Figure out why you're doing this, who for, and why they will care.
   ◆ How do you know you're on to something?
   ◆ Do you have any idea at all how you're gonna get more customers?
   ◆ 10,000 ft view - write it down, just a few sentences.
      ● *If you're using too many words, it's a sure-fire guarantee you still need to figure things out.*

➔ **Test!**
   ◆ Pre-launch: Smoke tests
   ◆ Pre-launch does not mean No Users

Andy Young // @andyy // andy@500.co

Takeaways

Andy Young // @andyy // andy@500.co

Takeaways

➔ Product/market fit

➔ Metrics

 ◆ Understand your key driver, avoid vanity metrics

 ◆ At any given time, focus on your one metric you want to grow this week/month

➔ Prioritise your backlog; work on the stuff that matters!

➔ Execute on your experiments, ensure you're learning via A/B tests and gradual rollouts.

Takeaways

→   Build a great team

→   Build a clear mutual vision

→   Have fun together

Do all the above, and you'll succeed!

→   Your goal is either to prove that it works by succeeding, or prove it's not going to work as you hoped, at which point start over or pivot.

→   Achieve one of these outcomes before you run out of money!

Andy Young // @andyy // andy@500.co

Takeaways #2

➔ **It's a process and a discipline**

   ◆ *You need to get really good at this sh***

➔ **Your most precious resource is time**

   ◆ *Your biggest mistake would be not spending your time on stuff that has the best chance to make the biggest difference.*

Takeaways #3

➔ **Talk to your customers!**

Further References..

Further references..

- [Startup 10,000ft view worksheet](#)
- Bryan Balfour: [The Scientific Method: How to Design & Track Viral Growth Experiments](#)
- Dave McClure's [Startup Metrics for Pirates](#)
- Eric Ries's [Three Engines of Growth](#)
- My deck on [Analytics for Startups](#)
- 500 Startups Accelerator Marketing Hell Week [videos, templates & goodness](#)
- [DISTROSNACK: daily growth hacks](#)

Andy Young // @andyy // andy@500.co