Exercise Doc

Building, Validating and Expanding Growth Loops

Building a Growth Loop

Part 1 Growth Opportunity Analysis

A. How might we leverage existing <u>resources</u> and the <u>value</u> it unlocks to overcome <u>hurdles</u> and achieve our <u>goal</u>?

Hurdles	Goal
Visitors ● Anxious about sharing with unknown people ● Fuzzy on their goals for platform use **Inactive Users** ● Friction at point of sign up ● Distrust of community knowledge ● Ambiguity on value outside of specific questions	● Grow new users by 50% in the next half of the year.
Resources	**Value**
Visitors ● Enjoy consuming content ● Appreciate mobile delivery **Active Users** ● Motivated to answer questions, esp. when there is positive reinforcement (upvotes) ● Value being part of community	**Social Network** ● Creators and consumers can engage with one another **Data** ● Creation and consumption of content generates data on what users find valuable **Coverage** ● Accessibility on mobile devices expands user engagement to anytime, anywhere

Part 2 Building a Growth Loop

    A. Copy and paste a screenshot of the Growth Loop visual you created
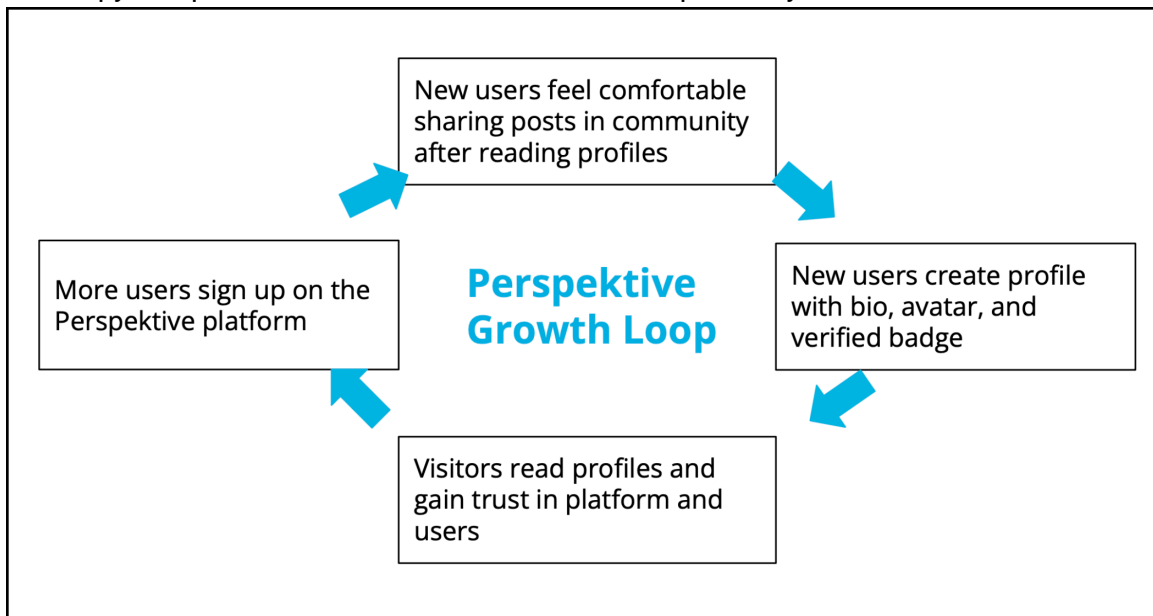
Part 3 Enabling a Growth Loop

    A. Feature Brainstorm
        a. Examine the growth loop you created in part 2 above
        b. Brainstorm 3-5 product features that you might build to enable and drive momentum in this loop and list them here.

        1. User profile page
        2. User verified badge
   3. Links to users' social media

    B. Feature Prioritization
        a. Examine the 3-5 product features you've listed above. Then, select one that is most impactful to enable the growth loop, and explain your rationale here.

        User profile page

    C. Mapping the Feature onto the Growth Loop
        a. Which step on the growth loop does the selected product feature help enable?
        b. Illustrate how they produce feature relates to the growth loop in the **exercise deck** of part 3 in Enabling a Growth Loop
        c. Copy and paste a screenshot from the exercise deck over to the space below
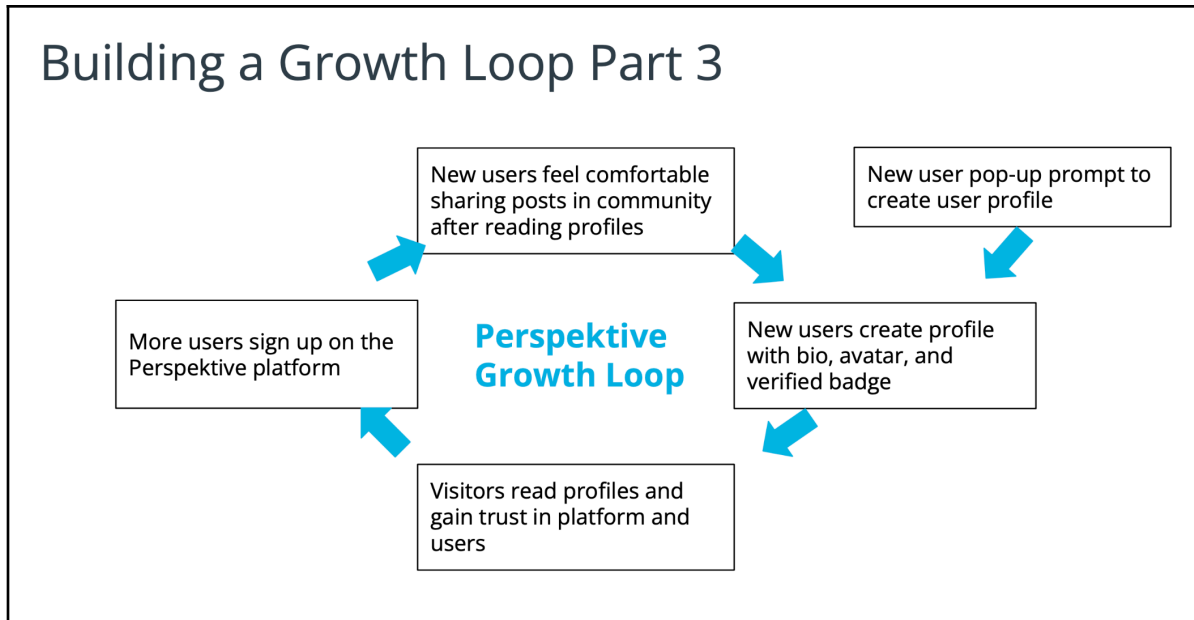
Part 4 Hypotheses Behind the Loop

A. Primary Hypothesis
   a. What is the high-level hypothesis behind this entire loop that you created? Summarize your hypothesis in one sentence.

   By presenting a pop-up banner to new users that prompts them to create a user profile, we can nudge new users to create a profile, which builds trust and transparency on the platform that will lead more visitors to sign up.

B. Secondary Hypotheses
   a. What has to be true, or what are we assuming would happen in between each step? List the corresponding hypothesis in one sentence in between each step.

   Step 1 to 2: New users must be able to review profiles of active users to feel comfortable so that they can create a profile of their own

   Step 2 to 3: New users must know how and where to create a profile before they can accomplish the task of creating a profile of their own

   Step 3 to 4: Visitors must have trust in the Perspektive platform before they are willing to sign up to become users

Validating a Growth Loop

Part 1 Test Goals and Metrics

    A. Primary Test Goal and Metric
        a. Reframe the primary hypothesis you stated in the fourth part of the Building a Growth Loop exercise above into a test goal.

            Does presenting a pop-up banner to new users that prompts them to create a user profile nudge them to create a profile, which then leads more visitors to sign up?

        b. Based on the primary test goal you created above, list a single metric to monitor to answer that question. Then, explain why you selected this metric.

            Number of Weekly New Users

    B. Secondary Test Goals and Metric
        a. Select 1-2 secondary hypotheses you stated in the fourth part of the Building a Growth Loop exercise above to reframe into test goals.

            Will allowing new users to review profiles of active users motivate them to create a profile of their own?

        b. For each secondary test goal, write down a single metric that you plan on monitoring to answer the question. Then, explain why you selected this metric.

            Number of Weekly New User Profiles

Part 2 Test Audience and Setup

    A. Test Audience: Identify the test audience appropriate to the testing goals. Explain the rationale for selecting this test audience.

        Our test audience is visitors. We want to measure the impact to visitors, not existing users, since our goal is to convert an increasing number of visitors to new users.

    B. Create a test setup that controls the users' experience in a way that helps validate the primary hypothesis. Explain your rationale for this test setup.

        Control: Our control will be a group of visitors for whom the existing app experience is shown.

Variant: Our variant will be a group of visitors for whom a pop-up profile completion banner is shown.

Rationale: We want to compare the impact of showing a pop-up profile completion banner to visitors versus not. If the % of visitors who convert to new users is greater for the variant compared to the control, the experiment supports our primary hypothesis.

Part 3 Risk and Mitigation

A. Risks: Explain what might go wrong in this test. List at least two potential risks

1) Visitors may abandon profile completion after arriving at the profile completer page because they find it too-time consuming.
2) Visitors may read profiles of active users, not like what they see, and opt-out of creating a profile.

B. Mitigation Plans: For each risk that you called out, list at least one mitigation plan to address the concern or lower the risk

1) We can provide visitors a save and finish later option to allow them the opportunity to complete their profile at their leisure.
2) We can monitor and perform sentiment analysis on user profiles to nudge users and visitors to create helpful profiles that promote network effects.

Part 4 Results and Analysis

A. When the Experiment Succeeds
   a. If the primary hypothesis is proven true, describe the outcomes you expect to observe.

   We would expect to see an increase in the number of new user signups. If visitors complete their profile, they are more likely to also read the profiles of active users, and as a consequence, begin to feel integrated with the Perspektive community.

   As new users gain trust and confidence on the platform, they will begin to post more content and engage with other users.

b. Based on the anticipated outcomes, propose at least two next steps you would take. Explain your rationale.

1) As a follow-up analysis, we would want to understand the types of content new users are sharing and engaging with. A product feature idea with this in mind would be to surface relevant or recommended threads to users upon login, By nudging them toward certain content they are more likely to prefer, we indirectly increase the probability they will engage with other users.

2) We might also want to track the frequency of engagement of new users and their time on the platform. A product feature with this in mind would be to gamify engagement with a badge system, whereby new users are rewarded for engaging with the community the more that they do so.

Expanding a Growth Loop

Part 1 Growth Risks Analysis

A. Customer Retention
   a. Problem: If we neglect retaining our customers, we will negatively impact marketplace demand, which will in turn, negatively impact both our and our platform owners' revenue.

   b. Solution: To mitigate customer retention as a risk, we can incentivize repeat bookings through discounts, coupon codes, and promotional offers. We can also reward long-term loyalty through similar such programs.

B. Market Saturation
   a. Problem: Next Lodge is not the only player in the marketplace homestay business. As other competitors grow, Next Lodge will face increasing difficulty in attracting and retaining new users.

   b. Solution: Next Lodge can mitigate competitive risks by honing competitive advantages and focusing on differentiation. Next Lodge can use its dominance in family vacation rentals to market its product for other types of rental stays with its customer base.

C. Single Product and Market

a. Problem: Next Lodge's focus on family vacation stays poses a risk should this segment of homestay rental decline in popularity. Other entrants with a similar offering could pull market share from Next Lodge.

b. Solution: Next Lodge can diversify its product offering to cater to a wider variety of customers, including business travelers, couples, and students, for instance.

Part 2 Product and Market Expansion Opportunities

Complete the product and market expansion opportunity analysis by filling in the Ansoff matrix

C. Market Expansion (existing offering, new market) Product Idea: Allow users to invite others onto the platform through a share registration link. Rationale: A share registration link allows existing users to help grow new users onto the platform. We are utilizing our existing product offering to better penetrate our existing market.	D. Diversification (new offering, new markets) Product Idea: Perspektive could create a commercial learning product that leverages employee knowledge-sharing to benefit corporate employees. Rationale: Creating a new product offering targeting a new market would allow Perspektive to capture new value from a new group of users.
A. Market Penetration (existing offer, existing market) Product Idea: Perspektive can market its platform outside the U.S. to target countries in Europe or Asia. Rationale: Perspektive is a knowledge-sharing platform that would likely find an audience in other countries, since the ability to create, consume, and share information is a need we all face.	B. Product Development (new offering, existing market) Product Idea: Perspektive could evolve its platform by offering a more structured learning product based around high-traffic themes. This new product would offer content creators tools to create their own courses. Rationale: Marketing a new product offering to Perspektive's existing customer base would allow Perspektive to capture added value from them.

Part 3 Expanding the Growth Loop

A. Copy and paste a screenshot of the Growth Loop visual you created
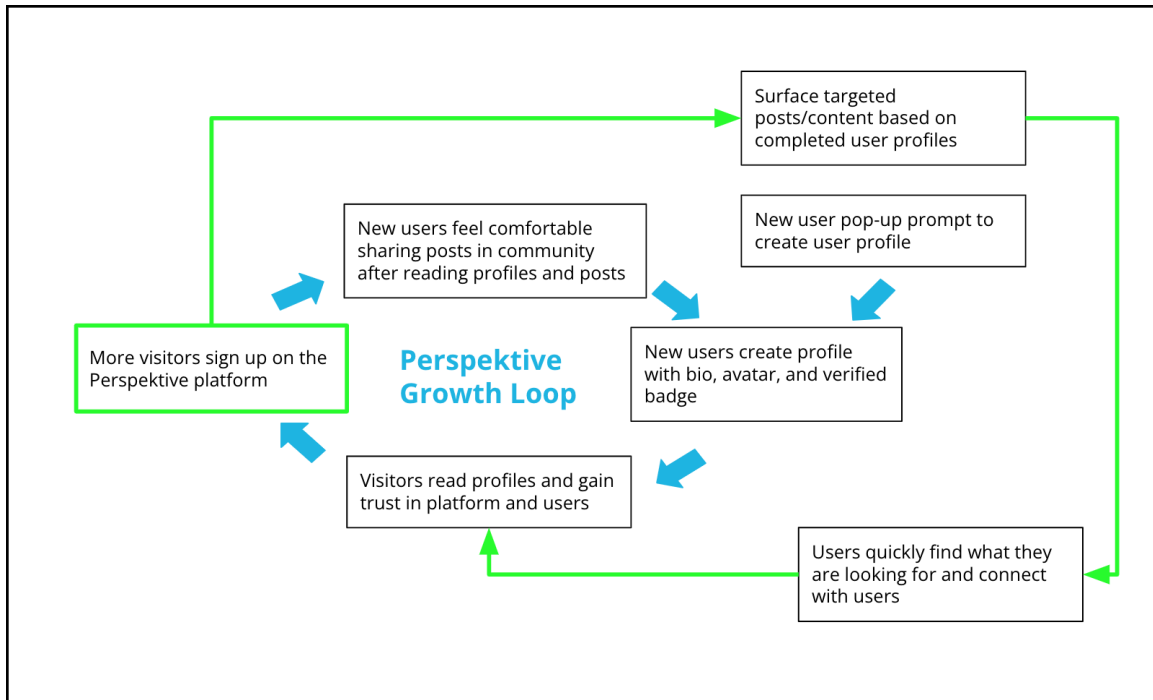
Part 4 Business Goal Alignment

A. Original Growth Loop
    a. State which category the original loop falls into in the Ansoff Matrix. Explain your categorization.

        Market penetration. The original growth loop focuses on optimizing the product value for the existing market.

    b. Justify your rationale by explaining why the focus here contributes to the business goal.

        Perspektive is an early-stage company, so its focus should be on growing and retaining its existing user base.

B. Expanded Growth Loop
    a. State which category this expanded growth loop falls into in the Ansoff Matrix. Explain your categorization.

The expanded growth loop falls into the market penetration quadrant of the Ansoff Matrix. By surfacing targeted posts/content to users soon after visitors sign up to become users, we are simply improving the user experience of new users. We are not delivering a new product offering, as would be the case in product development, nor are we going after a new base of customers, as would be the case in market expansion.

b. Justify your rationale by explaining why the focus here contributes to or expands the business goal.

Focusing on market penetration should be Perspektive's strategy with an expanded growth loop since, as a new product on the market, it is still refining product-market fit.