



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: *Increase number of the new subscribed users*
- Objective: *20% month-to-month increment over next quarter*

Product Strategy

- Strategy: *Leveraging the existing customer's network*
- Existing Customers
 - *Increased engaging of existing customers with the product in a meaningful way*
- Potential Customers
 - *More potential customers subscribe to the product*

Growth Components

Growth Components Along the User Journey

User Journey	Growth Components	Business Metrics
Acquisition	<ul style="list-style-type: none">• <i>Online adds</i>• <i>Search engine</i>• <i>Social media sharing</i>	<ul style="list-style-type: none">• <i>New visitor session</i>• <i>Acquisition channel distribution</i>
Activation	<i>A visitor can subscribe for a monthly plan (\$30 per month) through a website landing page</i>	<ul style="list-style-type: none">• <i>New visitors conversion rate</i>• <i>New monthly subscribed users</i>
Retention	<ul style="list-style-type: none">• <i>Manage account</i>• <i>Manage preferences</i>• <i>Track order</i>• <i>Share review</i>	<ul style="list-style-type: none">• <i>Monthly subscribed users</i>• <i>Monthly active users</i>
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
 - *New monthly subscribed users*
- Secondary Metrics
 - Upstream
 - *New visitor sessions*
 - *Acquisition channel distribution*
 - *New visitors conversion rate*
 - Downstream
 - *Monthly subscribed users*
 - *Monthly active users*

Target Persona

Key Characteristics

1. Existing Customers

- A. *Motivation: excitement about getting new experience*
 - 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. *Sharing excitement on the social medias*
 - a. *36% of customers shared their excitement on the social medias*
- C. *Desire to obtain a "favorite snack" again*
 - a. *"45% of customers are able to point to "a favorite snack" and have taken some form of action to try to obtain it again"*
- D. *Managing preferences*
 - a. *"65% came to the site to adjust their snack box preferences"*
- E. *Leaving review*
 - a. *"48% came to the site to write and share a review of the snack box they received"*

2. Potential New Customers

- A. *Motivated by information on the website*
 - a. *"I am interested in trying out new snacks"*
 - b. *"The website looks really fun and piqued my interest"*
- B. *Express uncertainty about the product*
 - a. *"What if I don't like the majority of the snacks there?"*
- C. *Express lack of trust in provided service*
 - a. *"What if the order doesn't arrive?"*
 - b. *"What if the snack is poorly packaged"*



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?

Hurdles <ul style="list-style-type: none">• <i>Lack of trust in provided service</i>• <i>Uncertainty about the product</i>• <i>Intention to obtain product elsewhere</i>	Goal <ul style="list-style-type: none">• <i>Increase number of the new subscribed users on 20% month-to-month over next quarter</i>
Resources <ul style="list-style-type: none">• <i>Users:</i><ul style="list-style-type: none">◦ <i>Love “element of surprise”</i>◦ <i>Social media sharing</i>◦ <i>Leave reviews</i>• <i>Platform:</i><ul style="list-style-type: none">◦ <i>Informative website</i>◦ <i>Customizable preferences</i>	Value <ul style="list-style-type: none">• <i>People:</i><ul style="list-style-type: none">◦ <i>highly engaged users who advertise our product within own social media network</i>• <i>Data:</i><ul style="list-style-type: none">◦ <i>reviews from the users is a good source of info to improve snack offers and service overall</i>• <i>Platform:</i><ul style="list-style-type: none">◦ <i>UI and information that encourage people to sign up</i>

The Growth Loop

More new users
subscribe to Craft
Snacks

The users set up
preferences and
receive their monthly
snack box

Craft Snacks Growth Loop

The users leave their
review about the
snack box, an
“element of surprise”
experience on the
website

The users share their
experiences with
their friends
encouraging them to
try Craft Snacks.

Product Feature: build in-app
experience of sharing the
review with unique invitation
link to the website on social
media (unique link helps
tracking reference)

The Growth Loop: Hypotheses

Primary Hypothesis

By capturing and sharing the users' reviews with their friends on social media, we can create a more positive image of the Craft Snacks among the market that can help remove lack of trust in the provided service among the potential customers and attract more of them to sign up to Craft Snacks.

More new users
subscribe to Craft
Snacks

Hypothesis 1

The users are willing to set preferences to increase a chance of better experience with the delivered snacks

The users set up
preferences and
receive their monthly
snack box

Hypothesis 2

The users are experiencing the excitement of "element of surprise" and are willing to leave a review on the site

The users leave their review
about the snack box, an
"element of surprise"
experience on the website

Hypothesis 3

The users are using social media and are willing to share their review with their friends

The users share their
experiences with
their friends
encouraging them to
try Craft Snacks.

**Craft Snacks
Growth Loop**

Growth Hypotheses

Primary Hypothesis

- *By capturing and sharing the users' reviews with their friends on social media, we can create a more positive image of the Craft Snacks among the market that can help remove lack of trust in the provided service among the potential customers and attract more of them to sign up to Craft Snacks.*

Secondary Hypotheses

- A. The users are willing to set preferences to increase a chance of better experience with the delivered snacks*
- B. The users are experiencing the excitement of "element of surprise" and are willing to leave a review on the site*
- C. The users are using social media and are willing to share their review with their friends*



Validating the Path to Growth

A/B Testing: Goal and Metric

- Primary
 - *Does capturing and sharing the users' reviews with their friends on social media create a more positive image of the Craft Snacks among the market that can help remove lack of trust in the provided service among the potential customers, which is connected to more of them signing up to Craft Snacks?*
 - Metric: *# of monthly new subscribed users*
- *Secondary
 - *Does the providing to leave a review for the products on the website encourage users with a positive experience to leave one?*
 - Metric: *monthly # of active users who left review on the website*
 - Rationale: *we already have a metric of monthly active users, and according to the prompt "48% came to the site to write and share a review of the snack box they received" we already can differentiate them by activities on the website.*
 - *Does the ability to share a review on social media encourage users to share their experience with their friends?*
 - Metric: *# of monthly shared reviews*
 - Rationale: *Determining whether the users with a positive experience are sharing their excitement with their friends can establish whether there is or not correlation between the positive experience and encouraging others to experience it as well.*

A/B Testing: Audience and Setup

Test Audience

- Target Audience: *All visitors who came to the website from social media*
- Rationale: *We want to ensure that sharing on a social media will attract more visitors to the website and the fact that it comes from their friends will encourage them to subscribe.*
We do not include on the visitors from other acquisition resources, as we focus on how well our hypotheses about sharing experience on social media service our goal.
We do not focus on the existing users, because we want to focus on conversion from visitors to new subscribed users.

Test Setup

- A. Control - *40% of the users do not have an ability to share their review on social media from within website*
 - B. Variant - *60% of the users have an ability to share their review with unique invitation link on social media from within website*
- ★ We use 40:60 set up because from prompt we already know that about 40% of the users already share their experience on social media anyway.

A/B Testing: Risks

- Risk: *The user share negative instead of positive review, with may drive away the potential customers*
 - Mitigation: *We do not want to ban users from expressing their opinion and want to keep the platform transparent. The best mitigation strategy in this case is monitoring the review and fixing the problem addressed in the review rather than banning them.*
- Risk: *The users who were exposed to the new feature may become unhappy if the feature is removed after A/B testing and become discouraged to leave reviews on the website.*
 - Mitigation: *Inform the users upfront A/B testing about the new feature, that it is temporary (for testing) and the timeline of testing to manage their expectation. This also may encourage them as beta testers to give a feedback about the new feature.*

Analysis and Next Steps

- If the experiment succeeds, what we expect to see: *a steady increase in monthly new subscribed users*
 - Next steps
 - *New users actively manage their preferences to get as better experience from the service as they can*
 - *New users proactively sharing their positive experience with their friends on social media and invite other to join the service*
- If the experiment fails, what we expect to see:
 - *the users share negative review or do not share review at all*
 - *the potential users are not encouraged by social media review with invitation*
 - Next steps
 - **Benefits:**
 - *Introduce benefits schema (e.g. next month discount) if e.g. 3 new users subscribe coming using the invitation link in the shared review;*
 - *invitation links may also lead to discounted subscription for the 1st month.*
 - *The subscribers who came using the invitation link in shared review gets one time double snack box*
 - **Improve UI/UX:** *allow including photos to the review*



Developing the Growth Vision

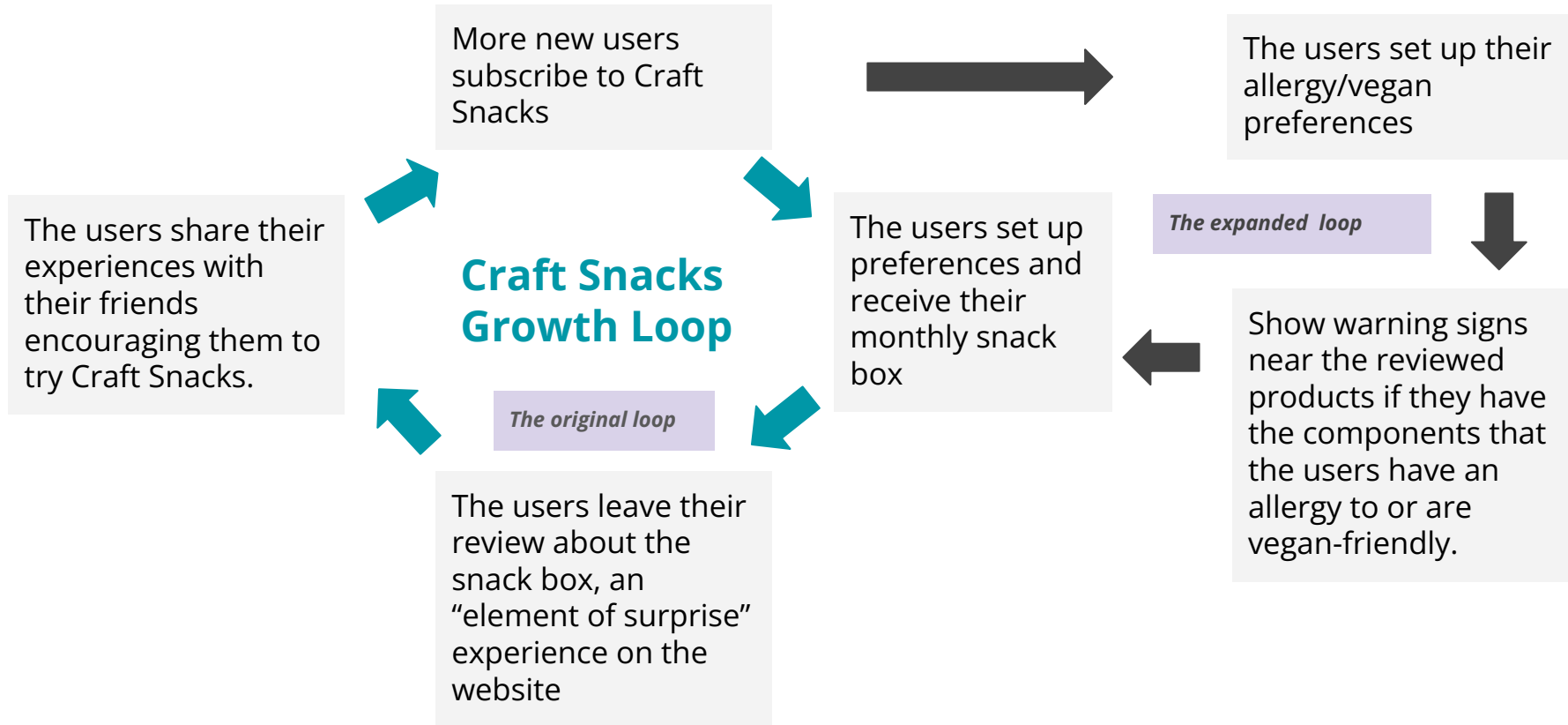
Growth Risks

- 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 market is full of the competitors of the same size and maturing as Craft Snacks. Despite there are not strongly defined leaders, the competition is strong.*
 - *Solution: Win current market through investing in the quality of the products and service, in such way building up good reputation and brand. Extend the market to corporate customers to secure the paths for growth.*
- Single Product and Market
 - *Problem: Craft Snacks is a single product business that has a focus on a delivering single type of product to a single market consumers. This increase risk on the market full of growing competitors.*
 - *Solution: Introduce new products to secure the growth as well as engage with new market. For example, introduce snack box as thematic surprise-gifts, hampers; extend range of products to catering and/or food delivery etc.*

Product Market Expansion Opportunity

Markets	New	<p><i>Market Expansion - existing offerings, new markets</i></p> <ul style="list-style-type: none">• Product: <i>Snacks for companies/offices</i>• Rationale: <i>By reaching out to corporate customers we expand our market range and acquire more customers.</i>	<p><i>Diversification - new offerings, new markets</i></p> <ul style="list-style-type: none">• Product: <i>Craft Lunch - delivering lunch</i>• Rationale: <i>To diversify Craft Snack, this creates a brand new offer branch that targets a wider market to reach out to the new customers and at the same time preserves the authenticity/signature of the business - “element of surprise”.</i>
	Existing	<p><i>Market Penetration - existing offerings, existing market</i></p> <ul style="list-style-type: none">• Product: <i>Birthday Snack Hamper treating existing customers with free “surprise” snack hamper on their birthday.</i>• Rationale: <i>Through well treating and encouraging existing customers we solidify retention.</i>	<p><i>Product Development - new offerings, existing market</i></p> <ul style="list-style-type: none">• Product: <i>Allergy and vegan preferences</i>• Rationale: <i>There are too few competitors in an existing market who provide free-from products for customers with allergies and food intolerance. About 10% of the population has food allergies or intolerance. At the same time, vegan products gain popularity. Providing this feature will boost new customers acquisition in the same market.</i>
		Existing	New
Product and Services			

Growth Loop Expansion



Growth Plan Summary and Rationale

Original Growth Loop

- Focus: *Market Penetration*
- Rationale: *Drives new users to Craft Snack by optimising the existing offering within the existing market. It encourages the potential users to sign up by removing the lack of trust in service by sharing their friends' positive experiences with the service.*

Expanded Growth Loop

- Focus: *Product development*
- Rationale: *Craft Snack is a relatively new business and there are still a lot of customers that we can win. Adding a unique feature to the existing product will differentiate Snack Craft from the existing competitors and drive more customers to the service by reducing uncertainty about the product.*