



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 new monthly subscribed users.
- Objective: Achieve 20% month-over-month growth over the next quarter.

Product Strategy

- Strategy: Create viral growth by leveraging the existing customers' network.
- Existing Customers
 - Engaging existing customers with our product in a meaningful way.
- Potential Customers
 - Drive new users to realize and trust in the product value faster.

Growth Components

Growth Components Along the User Journey

User Journey	Growth Components	Business Metrics
Acquisition	Online ads, search engine results, social media sharing	% Visitors from Online Ads % Visitors from Search Engine Results % Visitors from Social Media Shares # New Visitor Sessions per Month
Activation	Visitors who sign up for a subscription plan	% New Visitor Conversion Rate # New Monthly Subscribed Users
Retention	Customers who visit the website at least once a month and (a) write a review (b) adjust snack preference theme (c) view order tracking status	# Monthly Subscribed Users % Monthly Active Users
Revenue	Monthly subscription model	N/A
Referral	N/A - <i>No formal referral program, informal word of mouth growth</i>	N/A

Growth Metrics

- Primary Metric
 - # New Monthly Subscribed Users
- Secondary Metrics
 - Upstream
 - % Distribution by Acquisition Channel
 - # New Visitor Sessions per Month
 - % New Visitor Conversion Rate
 - Downstream
 - # Monthly Subscribed Users
 - % Monthly Active Users

Target Persona

Key Characteristics

1. Existing Customers

- A. Love new experiences
 - a. Customers look forward to Craft Snacks' "element of surprise"
- B. Love to share snack experiences
 - a. 36% posted pictures of snack box on social media
- C. Able to identify a favorite snack
 - a. 45% of customers tried to obtain favorite snack again (e.g. local store, Google search, etc.)

2. Potential New Customers

- A. Interested to try new snacks
 - a. "I am interested in trying out new snacks"
- B. Find website compelling
 - a. "The website looks really fun and piqued my interest"
- C. Concerned about quality of service
 - a. "What if the snack is poorly packaged" or "I don't like the majority of 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?

Hurdles <ul style="list-style-type: none">• Potential new customers concerned about quality of service• Potential new customers concerned skeptical they will like the majority of snacks	Goal <ul style="list-style-type: none">• Achieve 20% month-over-month growth in new users over the next quarter.
Resources <ul style="list-style-type: none">• Existing customers passionate about sharing snack experience with public• Website provides a compelling experience to visitors	Value <ul style="list-style-type: none">• Existing customers can serve as brand advocates who build trust in product quality• Website can be leveraged to build trust with prospective new customers

The Growth Loop



The Growth Loop: Hypotheses

Hypothesis 1 Customers have social media accounts by which to share images of their snack experiences

Customers share images of snack experiences on social media

Visitors see social media shares of snack experiences

Hypothesis 2 Visitors scroll to the social media feed on the website home page

Visitors gain trust in Craft Snacks brand and quality of service

Hypothesis 3 Seeing images of customer social media shares builds visitor trust in the brand and product offering

Visitors sign up for the Craft Snacks subscription plan

Hypothesis 4 Visitors must have trust in the Craft Snacks product service before they are willing to sign up for the subscription plan to become customers

**Craft Snacks
Growth Loop**

Primary Hypothesis

By automatically reposting social media shares to the website's home page, we can increase visitors' exposure to positive customer experiences, which builds trust in the quality and satisfaction in the service, leading more visitors to sign up.

Growth Hypotheses

Primary Hypothesis

- By automatically reposting social media shares to the website's home page, we can increase visitors' exposure to positive customer experiences, which builds trust in the quality and satisfaction in the service, leading more visitors to sign up.

Secondary Hypotheses

- A. Customers have social media accounts by which to share images of their snack experiences.
- B. Visitors scroll to the social media feed on the website home page.
- C. Seeing images of customer social media shares builds visitor trust in the brand and product offering.
- D. Visitors must have trust in the Craft Snacks product service before they are willing to sign up for the subscription plan to become customers.



Validating the Path to Growth

A/B Testing: Goal and Metric

- Primary
 - Does automatically reposting social media shares to the website's home page increase visitors' exposure to positive customer experiences that builds trust in the quality and satisfaction of the subscription offering, leading more visitors to sign up?
 - Metric: Number of New Monthly Subscribed Users
- *Secondary
 - Visitors scroll to the social media feed on the website home page.
 - Metric: Number of visitors who spend >5s on home page social media feed
 - Rationale: Measuring the number of visitors who meaningful engage with the home page social media feed indicates the value users find from this feature
 - Seeing images of customer social media shares builds visitor trust in the brand and product offering.
 - Metric: Visitor conversion rate after meaningful interaction with home page social media feed
 - Rationale: Measuring the conversion rate of new visitors after they have meaningfully interacted with the home page social media feed allows us to determine the the impact of customer image shares on visitor perception of Craft Snacks

** 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: Visitors
- Rationale: We want to measure the impact a social media sharing feed on the home page in converting visitors to new subscribers

Test Setup

- A. Control - Subgroup of randomized visitors exposed to unaltered home page
- B. Variant - Subgroup of randomized visitors exposed to home page with new social media feed section

A/B Testing: Risks

- Risk: Visitors may not see the social media feed because they do not scroll to the proper location or they navigate away from the home page before they have seen the feed.
 - Mitigation: Include a quick link near the top of the home page that immediately takes visitors to the portion of the home page displaying the social media feed.
- Risk: Visitors may see the social media feed, yet still be persuaded that Craft Snacks is a worthwhile subscription service that warrants they sign up.
 - Mitigation: We can monitor and perform ML analysis on shared customer images to identifying high-performing content and prioritize what we surface on the home page social media feed.

Analysis and Next Steps

- **If the experiment succeeds, what we expect to see:** We would expect to see an increase in the number of new monthly subscribed users. If visitors view the images shared by customers in the social media feed, they are more likely to form a positive impression of the product offering and quality and thereby signup.
- **Next steps**
 - As a follow-up analysis, we would want to understand the types of social media images that have the strongest impact on new visitors. A product enhancement with this in mind would be to surface social media content based on ML analysis of social media share to visitor conversion data. We could then surface images in the feed that are most likely to convert new visitors.
 - We may also want to track the frequency of social media shares by existing and new customers over time. We might leverage this data to incentivize customers to share their experiences on social media through marketing initiatives (e.g., raffles, free snacks, coupons, etc.)

Analysis and Next Steps (continued)

- **If the experiment fails, what we expect to see:** We would not expect to see an increase in the number of new monthly subscribed users as compared with the control.
 - **Next steps**
 - As a follow-up analysis, we would want to understand the types of social media images being shared and if any types of images perform better than others in new visitor conversion (i.e., machine learning analysis). Analyzing this data might allow us to surface social media images in the home page feed that are more likely to convert new visitors.
 - We may also want to track the percentage of visitors who navigate to the social media feed on the page. If the percentage is low, the problem may be one of new visitors not seeing/finding the content, rather than a failure of the content feature itself.



Developing the Growth Vision

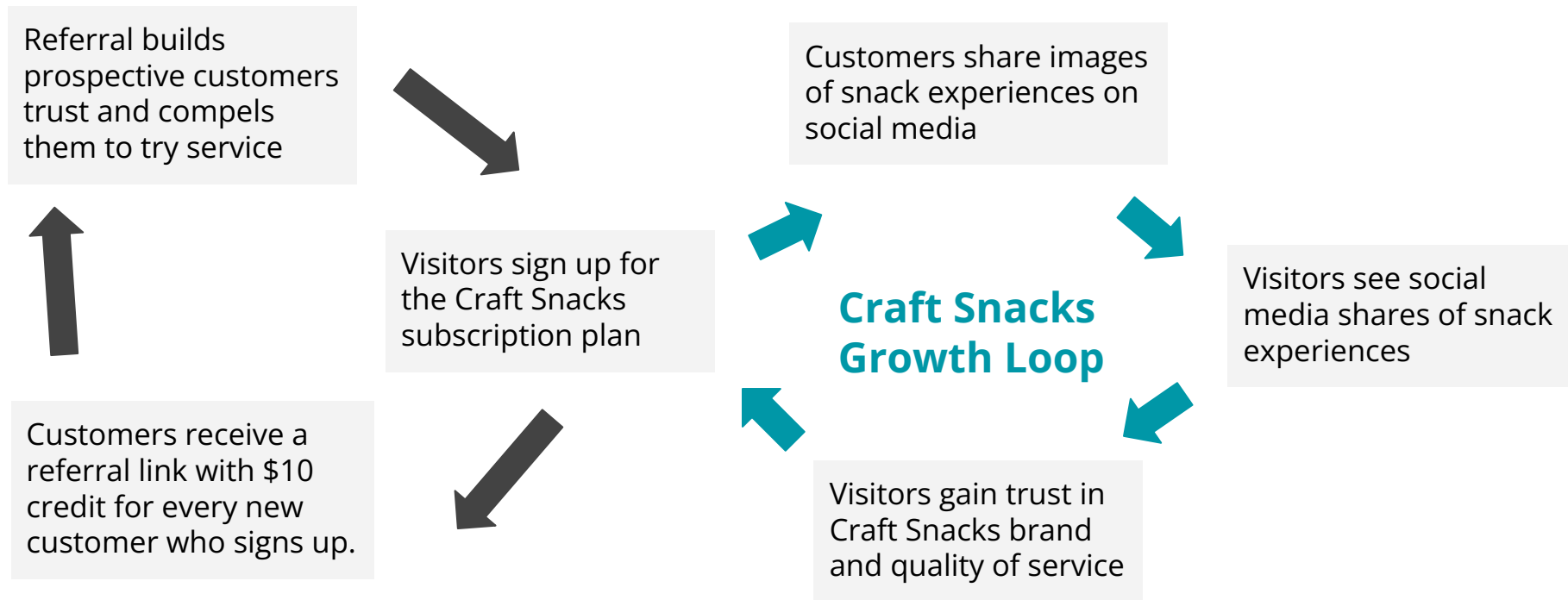
Growth Risks

- 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.
- Single Product and Market
 - Problem: If we rely on a single product and market, we put our business at risk since we lack alternative revenue-generating opportunities.
 - Solution: Once we have established a stable and reliable customer base in our initial target market with our existing product offering, we should explore ways to expand into a new market and/or with a new product offering.

Product Market Expansion Opportunity

Markets	New	<p><i>Market Expansion - existing offerings, new markets</i></p> <ul style="list-style-type: none">• Product: Snack subscriptions for small to medium-sized businesses.• Rationale: Craft Snacks can target businesses with a snack subscription offering to increase employee well-being and satisfaction.	<p><i>Diversification - new offerings, new markets</i></p> <ul style="list-style-type: none">• Product: Health/weight-loss snack and supplement subscription service targeting customers who trying to lose weight.• Rationale: Creating a new product offering oriented around health/weight loss could allow Craft Snacks to capture a slice of a new market.
	Existing	<p><i>Market Penetration - existing offerings, existing market</i></p> <ul style="list-style-type: none">• Product: Referral code with \$10 credit for each new customer who signs-up.• Rationale: By enabling existing customers to refer new customers to the service, Craft Snacks can create a viral growth loop.	<p><i>Product Development - new offerings, existing market</i></p> <ul style="list-style-type: none">• Product: Beverage subscription service based on customer preferences.• Rationale: A beverage delivery subscription plan that introduces customers to new drinks could be a logical extension for Craft Snacks.
		Existing	New
Product and Services			

Growth Loop Expansion



Growth Plan Summary and Rationale

Original Growth Loop

- **FOCUS:** Market penetration – the original growth loop focuses on growing its customer base in the existing market with its existing product.
- **Rationale:** Craft Snacks is an early-stage company, so it should focus on growing and retaining its customer base base.

Expanded Growth Loop

- **FOCUS:** Market penetration – the expanded growth loop focuses on growing its customer base in the existing market with its existing product.
- **Rationale:** Craft Snacks is an early-stage company, so it should focus on growing and retaining its customer base base.