



A STEP BY STEP GUIDE TO

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# GROWTH HACKING

A digital marketing system used by fast-growing businesses that saves time and money


netStripes





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# Introduction

Growth Hacking was once a popular form of marketing utilised by start-ups who needed to exponentially grow on a small budget. Nowadays, both small and big businesses employ growth hacking strategies to ensure maximum efficiency and effectiveness.

By implementing growth hacking strategies, you'll be able to identify what areas of your business need the most resources and optimisation for improvement and begin working on a conversion strategy.

Fortunately, you don't need to be an expert marketer to hack your way to growth. All you need is a solid strategy and a willingness to experiment.



# Growth Hacking

is more a mindset than a marketing tool

Rather than a set of tools, growth hacking is more a mindset that revolves around growth.

Growth hacking incorporates the five stages of the customer lifecycle into a funnel called the “AARRR Framework or Pirate Metrics”, designed to help identify where a business should focus efforts to optimise marketing and sales efforts.



FIXED MINDSET

For example, if you're a builder and you want to make \$2 million revenue per year – with each house worth an of average \$400K then you need to convert 5 leads per year.

If you only convert 5 out of 10 leads annually, then you need to look at an average of 10 leads as your goal.

Now you need to create a strategy on how you are going to work on driving leads and at which stage of the funnel. Using the above examples as your business matures, you can create numbers at each stage of the AARRR metrics.



GROWTH MINDSET

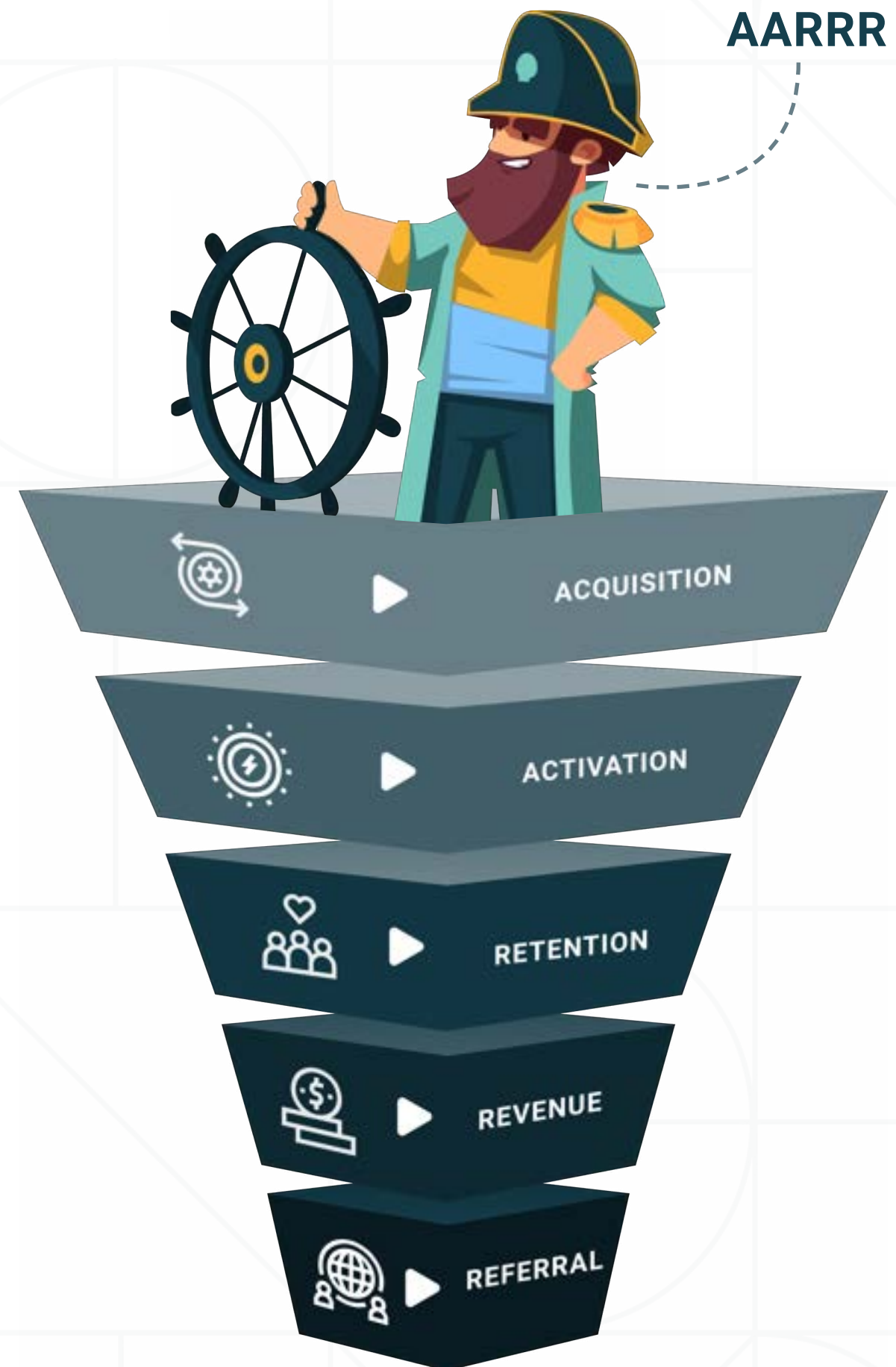


# Know your AARRRs

The AARRR Metrics (also known as the AARRR metric) is a system that major companies like Airbnb, Uber, Facebook, and even netStripes have used during their growth stages.

The metrics incorporate five stages of the customer buying cycle into a funnel called AARRR, which stands for Acquisition, Activation, Retention, Revenue, and Referral.

It was developed to identify where a business should focus efforts to optimise digital marketing and sales efforts, and areas that need improvement.



# Acquisition

— encouraging interest in your product

Acquisition describes how people find you and eventually turn into your customers. Social media platforms, websites, online advertising, etc. are all ways used by growth hackers to acquire customers. Using these forms of mass media allows you to communicate a message to millions of people around the world.

However, non-digital forms of communication can also be used to encourage interest as well.

To get the most of your acquisition efforts, consider the following questions and how they relate your potential customers and business:

- **What problems are my customers trying to solve?**
- **What is my ideal customer looking for?**
- **How can I make potential customers find me?**
- **How many customers can I reach with this marketing channel?**
- **Am I getting the right customers in this marketing channel?**



Once you answer all these questions, you have enough information to create your ideal customer persona. You understand their needs and wants, and how your business can provide unique solutions that competitors can't. This gives you the edge when marketing to potential customers.

## Metrics to measure in the acquisition phase:

- Customer acquisition cost (per channel)
- Conversion rate
- Traffic is driven to the website (per channel)
- Click-through rate
- Cost per click
- Average time spent on a website
- Bounce rates
- Quality of leads

If you think there are more effective ways of reaching your potential clients offline, such as traditional forms of media, then factor those methods into your plan.

# Activation

— prompt them to take the next step

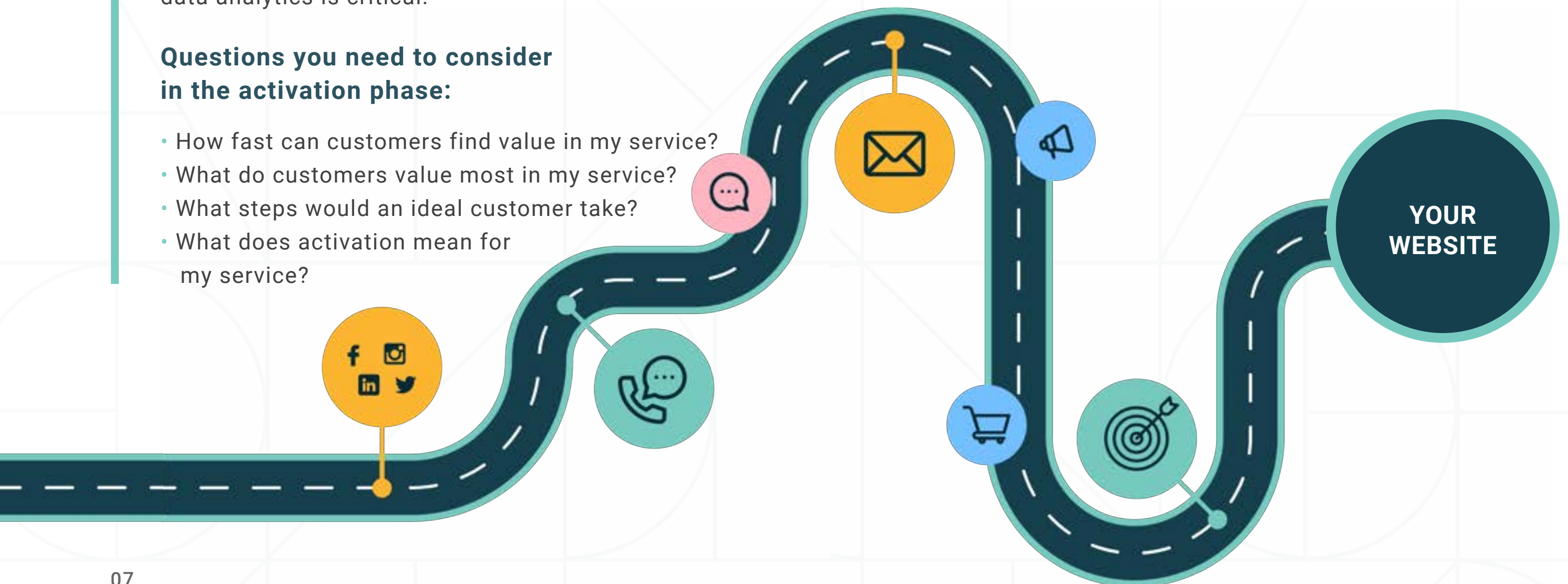
To get them to take the next step, you need to find out if they've had a good experience on your website, how they came to your site (Social media, email, etc.), and what they're looking for. Here, the development of customer personas and data analytics is critical.

## Questions you need to consider in the activation phase:

- How fast can customers find value in my service?
- What do customers value most in my service?
- What steps would an ideal customer take?
- What does activation mean for my service?

Focus on creating engaging and persuasive copy to motivate them to take the next step. This means getting your language and tone right to connect with your audience. Designing attractive imagery is also important to capture attention at first glance.

Tracking the customer journey is essential to collecting data that can tell you more about your customers and help you communicate more effectively.





# Retention

— give them a reason to stick around

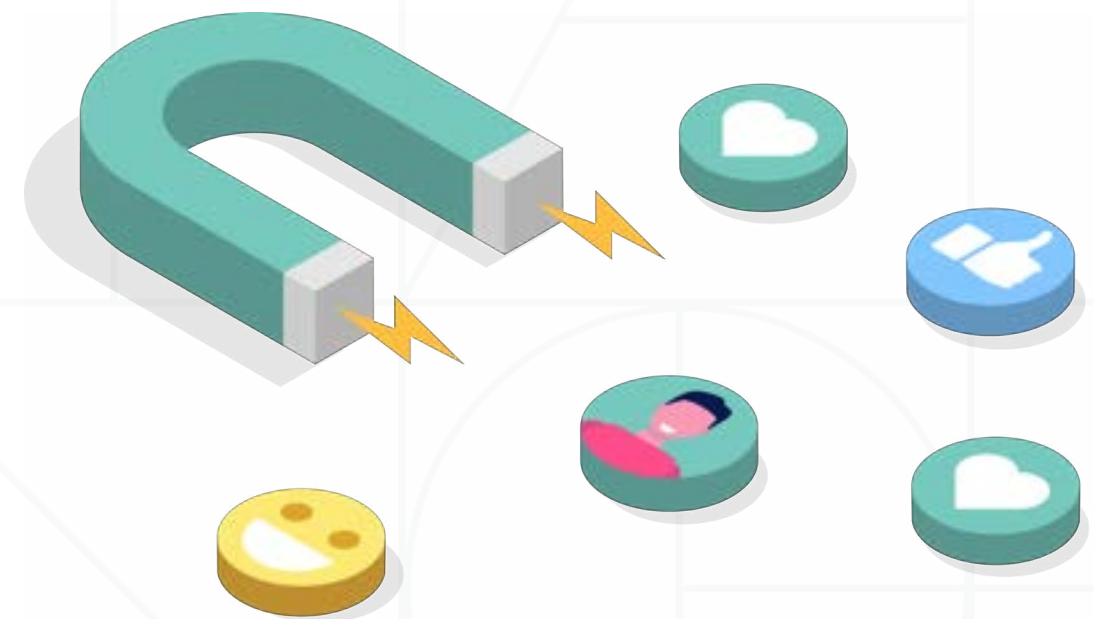
The moment a customer can see the true benefit of your product is known as the “AHA” moment. The more profound that moment is, and the faster you can get them to it, the greater your retention will be.

Another way you can retain your customers is through directly interacting with them through platforms such as email or phone notifications.

Something important to keep in mind is that 90% of first-time website visitors usually don't purchase anything. They're simply browsing through products or comparing prices with other websites.

**So, how do you bring them back to complete a purchase?**

Retargeting advertising and email marketing campaigns are common tactics used by growth hackers to stay top of mind with frequent website visitors and those who add to the cart but don't complete purchases.





# Revenue

— encouraging them to pay

The next step is to convince your customer to do something which generates revenue for your business. This could happen through several different possibilities. For websites, some of the options include monthly payment options, annual subscriptions, or even free trials that lead to a purchase.

Upselling is another method used for driving revenue. Brands like Apple are well-known for strategically up-selling their products and services in a way that's not 'pushy' but is seen as essential by customers.

Take for example AppleCare – anyone who buys an iPhone will certainly purchase some form of Applecare support for their Apple device, which of course comes at an extra cost. This increases the profitability of the device for the company.



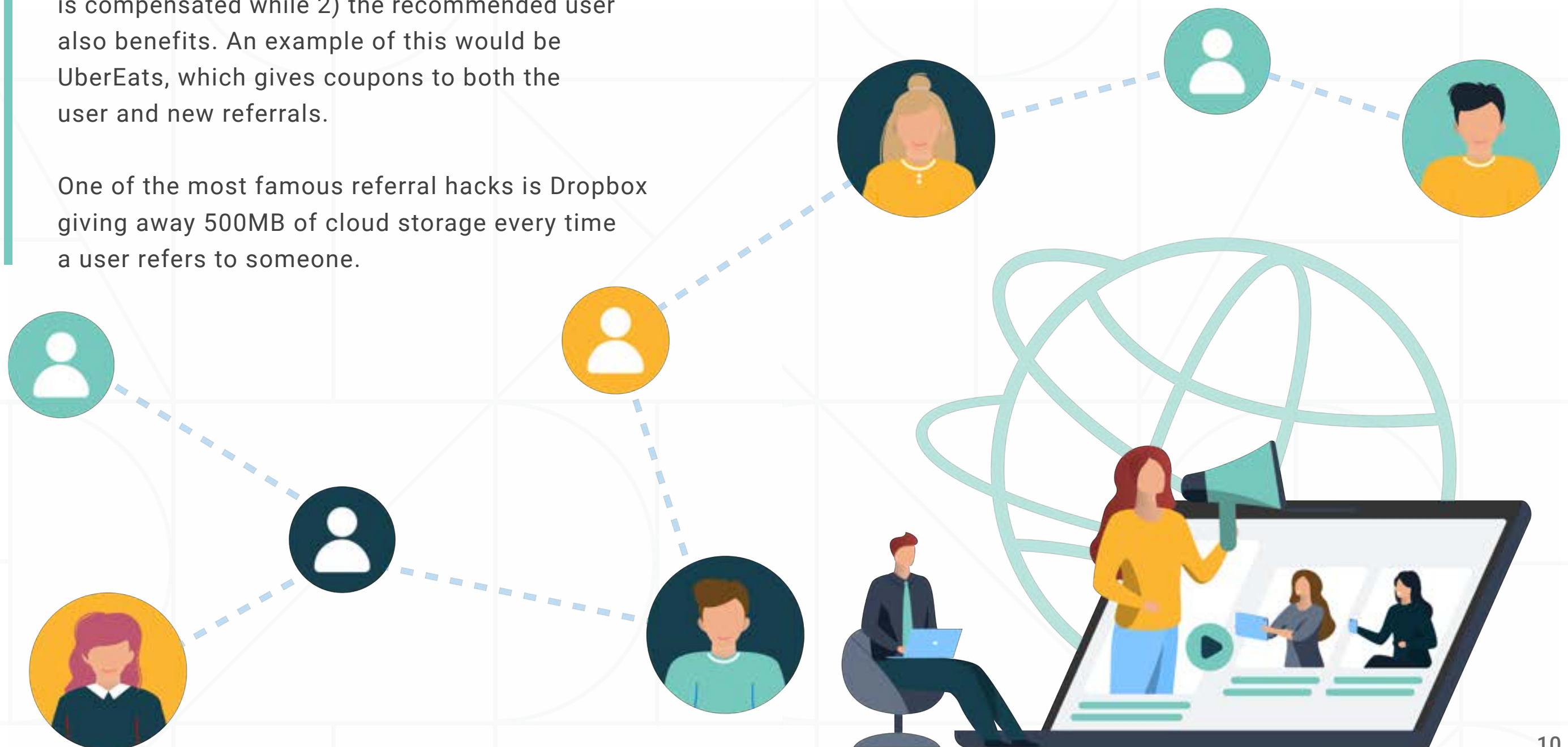
# Referral

— everyone's a potential advocate

A successful form of referral ad is called “double-loop” referral – which means 1) the recommender is compensated while 2) the recommended user also benefits. An example of this would be UberEats, which gives coupons to both the user and new referrals.

One of the most famous referral hacks is Dropbox giving away 500MB of cloud storage every time a user refers to someone.

Referring allows you to exponentially grow your customer base through word of mouth. However, referrals only work on the basis that your acquisition, activation, and retention are working to the required level.



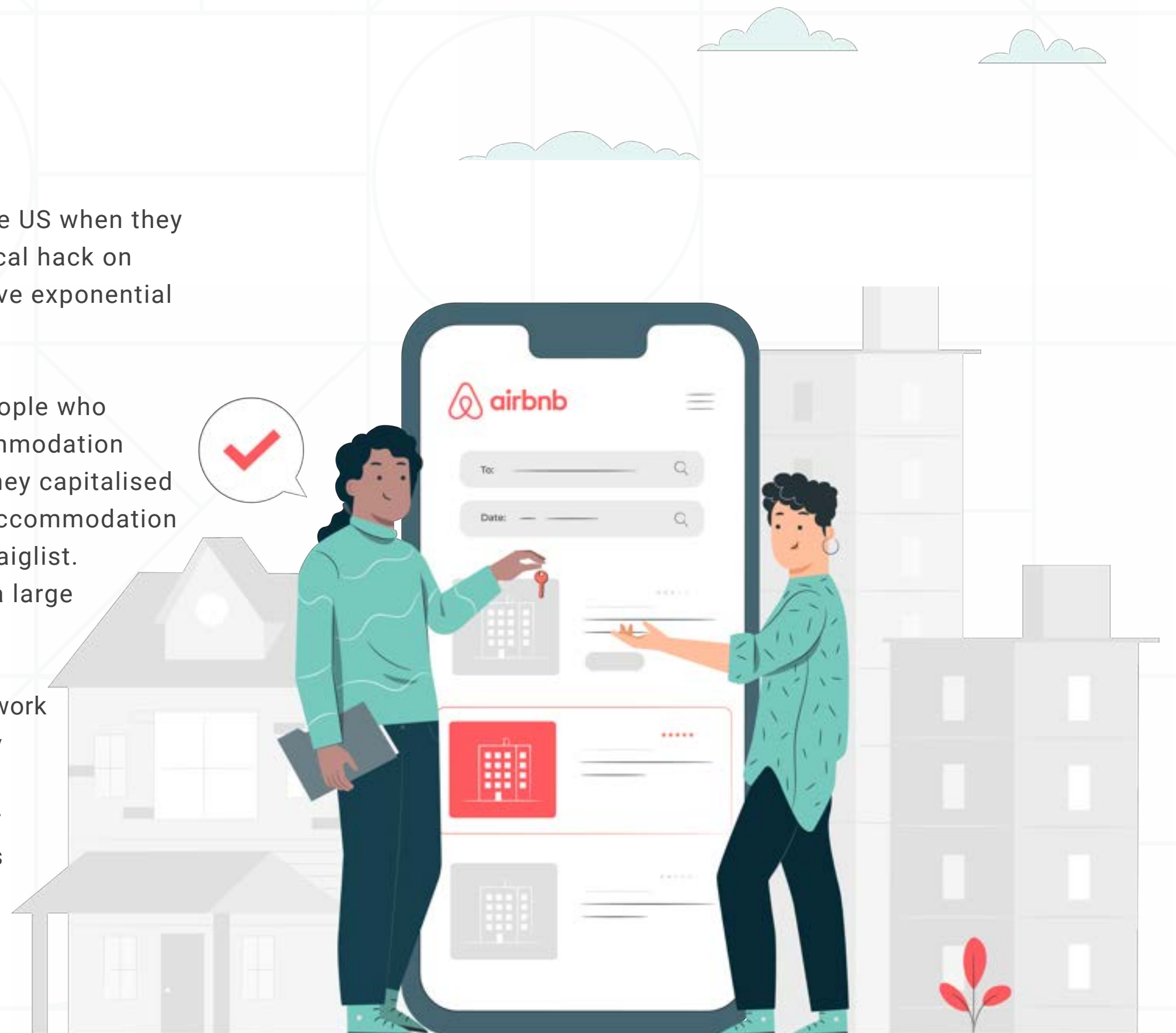
The Story of

# Airbnb

Airbnb was a small company in the US when they started but by employing a technical hack on Craigslist, they were able to achieve exponential growth over a short period.

Airbnb's founders realised that people who were looking for alternative accommodation often searched on Craigslist, so they capitalised on this by offering an option for accommodation providers to add their listing to Craigslist. The result? Immediate access to a large market of target users.

By implementing the AARRR framework and splitting the customer journey into measurable metrics, you'll be able to identify what areas of your business need the most resources and optimisation for improvement and begin working on a strategy.






# Conclusion

Keep in mind, not all of your growth hacking strategies will work but that's fine. Growth hacking doesn't come easily to everyone. If something isn't working, just stop, re-think where you might be going wrong, and move on to the next idea. That's how a growth hacker's mindset works.

To put growth hacking into action in your business, **talk to one of our experts** who have helped numerous companies optimise their growth.

If you like to know more about our services, visit [www.netstripes.com](http://www.netstripes.com) or call us on 1300 10 8880







netStripes is the most acclaimed digital marketing system for small and medium businesses to achieve growth. You can nail your strategy, website and social media marketing for higher brand recall delivering web traffic and new leads. It is recommended by Industry Associations and Governments because it just works for business owners.

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