

**THE
RELATIONSHIP
MARKETER'S
GUIDE TO
GROWTH HACKING**

INTRODUCTION

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ven if you're not familiar with the term *growth hacking*, you've seen the results it can produce.

Twitter grew from 400,000 tweets posted per quarter to 100 million tweets posted per quarter in only one year. By February 2010, Twitter users were sending 50 million tweets per day.

During its rise to becoming the world's largest social media website, Facebook was consistently adding hundreds of thousands of users a day.

Dropbox went from 100,000 registered users to 4 million in fifteen months—a 3,900 percent increase!

In one year's time, Airbnb went from fewer than 2 million guest nights booked to 10 million.

In this e-book, you'll discover some of the strategies these companies used to achieve their explosive growth. And you'll learn how to adapt them for relationship marketing.

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WHAT IS GROWTH HACKING?



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ome people claim that growth hacking is simply a buzzword. It's easy to see why. Many of the techniques are used by marketers of all types. But don't be fooled by

the term *hack*. Growth hacking is more than simply a bunch of tactics and tricks. It's not a silver bullet that's going to automatically double your growth overnight.

It's more of a mindset that guides marketing efforts. Sean Ellis defines a growth hacker as "a person whose true north is growth. Everything they do is scrutinized by its potential impact on scalable growth."

And he should know. He coined the term.

Because growth hacking was born from the unique needs of start-ups, it's a lean approach to marketing. Instead of spending lots of money on traditional marketing methods, growth hackers seek innovative ways to utilize resources. They focus on growth and scalability.

You might not be a start-up, but you can still use this approach to fuel growth in your own business. In fact, in many ways, growth hacking and relationship marketing are a perfect fit. They have many things in common...

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—SEAN ELLIS

- > BOTH GROWTH HACKING AND RELATIONSHIP MARKETING RELY ON AN INTIMATE UNDERSTANDING OF YOUR IDEAL CLIENTS.**
- > BOTH CAN BE COST-EFFECTIVE WHEN DONE PROPERLY.**
- > BOTH REQUIRE EFFICIENCY. AFTER ALL, YOU ONLY HAVE SO MUCH TIME TO GIVE OF YOURSELF.**

Ready to start? The next four chapters cover the cornerstones of an effective growth-hacking strategy.

LEVERAGE YOUR FOLLOWING



When you don't have a huge budget (or you want to stretch it further), you're forced to find alternatives to traditional customer acquisition. Luckily, you have a great source of new business already in

place: your clients.

Tapping into your relationships is not only cost-effective, it's extremely powerful. Your clients already know you. They can speak on your behalf. And their word will carry plenty of weight with their friends and colleagues.

Here are two classic examples of growth hacks that drove hyper-growth using this principle:

HOTMAIL

While web-based e-mail was a new concept when Sabeer Bhatia and Jack Smith launched Hotmail, they were not the only game in town. And they were not the best-funded, either. Juno spent \$20 million in marketing and advertising.

Hotmail's entire seed funding was only \$300,000.

Yet Hotmail was able to bring on three times as many users in half the time. Much of its success was due to one simple line of text: Get Your Free E-mail at Hotmail.

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Adding this link to the bottom of every e-mail that Hotmail users sent provided free advertising for the service. The impact was immediate, dramatic, and far-reaching. New users brought in new users, who brought in new users of their own. Suddenly, Hotmail was exploding all over the world. It quickly became the largest e-mail provider in Sweden. In India, it took merely three weeks to gain 100,000 users.

Those results never would have been possible if Hotmail had followed through on its original plan to promote the service via billboards and radio.

DROPBOX

Like Hotmail, users loved Dropbox. But traditional advertising was proving ineffective. For example, Dropbox was spending \$233 to \$388 for every customer brought in via Adwords. That was double or triple the price of the product.

The problem wasn't that Adwords was bad. It was just a bad fit. Typical Dropbox users don't see the need for the service until they experience it. Most often, that

happens when they are introduced to it by a friend. So the folks at Dropbox set about making that happen more often.

Introducing a two-sided incentive increased Dropbox's referrals 60 percent. A two-sided incentive benefits both the person referring the service and the person who was referred. In this case, both parties receive extra disk space.

HOW YOU CAN APPLY THIS PRINCIPLE TO RELATIONSHIP MARKETING

Relationship marketers know the value of referrals, so this growth-hacking principle should make sense. The trick is figuring out how to do it more consistently. According to Dale Carnegie, only 11 percent of sales people ask for referrals, even though 91 percent of customers say they'd give them.

One caveat: your ability to leverage your clients is directly tied to their level of engagement and excitement over your offering... which brings us to the next growth-hacking principle you need to use.

FIND YOUR "A-HA!" MOMENT



We'd all like to think that our clients rave about us from the moment we sell them on our service. But things

usually don't work that way. Start-ups often discover that excitement wanes, and the people who signed up for their product or service drop off. The same thing can happen to you when you lose touch with your clients.

Growth hackers know that lasting excitement comes from action, not ideas. There are certain points in the experience when things just click, and the customer is hooked. That's the "a-ha!" moment. Finding it is the key to turning your clients into evangelists.

Consider these examples from two of the largest social media networks in the world:

TWITTER

Looking through their analytics, the growth team at Twitter discovered that people who followed at least ten other people on Twitter were dramatically more likely to be active users than those who followed less than ten.

That "a-ha!" moment became the focus of their efforts. It was the impetus for the "People to Follow" feature, among other things. Once

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Twitter's team optimized for this metric, its user retention and engagement rates rose significantly.

FACEBOOK

The team at Facebook was able to grow the product exponentially by finding and focusing on its "a-ha!" moment: reaching seven friends in ten days. In fact, Chamath Palihapitiya, who headed Facebook's growth team, said it was the most important factor in putting Facebook on the path to one billion users. This specific metric is rooted in the core value of the product. The users "get it" by experiencing it.

HOW YOU CAN APPLY THIS PRINCIPLE TO RELATIONSHIP MARKETING

Relationship marketers can use this same strategy to strengthen their client relationships. Your "a-ha!" moment might be after the third conversation not related to work.

Or maybe it's after a client shares your social media update five times. Find out what it is for your clients, and you have a clear goal to achieve.

Try to guide your clients to that moment as quickly as possible. Let's continue with the hypothetical metric above: your goal would be to figure out how to start conversations. You could use an interesting story or anecdote as an icebreaker. Or you could share something that you know is of interest to your client, such as a specific recipe.

When defining your "a-ha!" moment, be as specific as possible. Notice how the examples above include specific numbers? This helps keep it simple and actionable.

It will probably take a little experimenting to get it right, which is why the next principle is so important.



TEST SMALL, AND SCALE

Large growth starts as small growth. Actually, it often starts as no growth at all. The fact is, while growth hackers can hypothesize what's going to work, you never know until you test it. Sean Ellis even admitted most growth ideas fail. That's why he believes it's vital to explore a wide variety of options.

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When you find what works, then you can implement it on a larger scale. That's what all the successful growth hackers did in the examples throughout this e-book. Facebook and Twitter found their "a-ha!" moments by analyzing what was working, and they closely tested different ways to amplify those effects.

Dropbox had tried all sorts of marketing techniques to grow its business, including search engine marketing, affiliate advertising, and display ads. All failed before it found its growth engine. In fact, founder and CEO Drew Houston called those early results "horrendous."

Even with the winners, growth hackers test and optimize ways to make them more effective. Take a look at Dropbox's website. The homepage is focused entirely on sign-ups. And Dropbox makes it easy to share and refer its solution. None of that is by accident. It's all carefully tested.

HOW YOU CAN APPLY THIS PRINCIPLE TO RELATIONSHIP MARKETING

Relationship marketing is too personal to effectively run the kind of structured tests you see from Internet start-ups. You're marketing one-to-one, after all, not simply trying to get a user base to take action on a landing page. But that doesn't diminish your need to measure and learn.

Here's what you need to do:

- Develop ideas for strengthening relationships. Are you going to send an e-mail newsletter? Share content on social media? Mail a custom magazine? Think of as many ideas as you can.
- Try them out with your clients. Choose a good cross-sample of your client list, and commit to trying each idea on enough clients to yield valid results. You also want to make sure you give your ideas enough time to work.
- Record your results. Referrals are an obvious metric, but there are other performance indicators you should track as well. Did you learn more about you clients' likes and dislikes? Did your effort result in a successful follow-up conversation? Anything that indicates growth in the relationship is important to measure.
- Analyze the results. If you take good notes, you can see which efforts are giving you the best return on your investment. Focus more of your time and budget on those, and scale back the rest.

Of course, all this takes time and effort, which can be difficult amid your other business responsibilities. We'll talk about the solution in the next chapter.



AUTOMATE WHENEVER POSSIBLE

Let's face it; you only have so much time in a day. And if you're anything like most of the relationship marketers we work with, you have about a million and one things to do. Growth hackers face the same challenge. To meet it, they come up with innovative ways to automate as many tasks as possible.

They send automatic e-mails triggered by client actions. They develop programs to streamline processes. They look for anything they can use to meet their objectives with limited manpower.

Airbnb is a great example. When it was first trying to gain traction in the marketplace, it developed this ingenious hack: it reverse-engineered a way to integrate their service with Craigslist. Listings on Airbnb were automatically posted to Craigslist as well. So when people visited Craigslist searching for a place to stay, they found Airbnb listings with a link to the Airbnb site.

The hack also allowed Airbnb to reach Craigslist posters by e-mail to promote the ability to post to both platforms without any extra effort.

Doing this manually would have been impossible for what, at the time, was a small company. So automation was a key component in its service gaining traction.



YOUR TIME IS VALUABLE. IF YOU'RE SPENDING TOO MUCH OF IT ON TASKS THAT DON'T CONTRIBUTE TO PROFIT, YOU'RE WASTING MONEY.

HOW YOU CAN APPLY THIS PRINCIPLE TO RELATIONSHIP MARKETING

Chances are you're not going to have the coding skills to pull off a hack like Airbnb's. But that doesn't mean you can't find ways to build a growth machine with the resources you have available. Here are a few ways to do it:

TURN TO OTHERS

Your time is valuable. If you're spending too much of it on tasks that don't contribute to profit, you're wasting money. Often, you can achieve a better return by

outsourcing those tasks so you can focus on building profitable relationships. You can find affordable virtual assistants on sites including fiverr or Upwork.

Many of the companies with which you work can provide a value beyond that of their products by providing time-saving resources and support. We do that ourselves—by assigning a personal coach and dedicated support team to every client.

CUSTOMIZE INSTEAD OF CREATING

There are numerous ways to stay connected with clients. Some—

like branded publications—are impressive, and they work well. However, developing one from scratch is not practical. The investment you'd have to make in editorial, production, graphic design, printing, and postage would be prohibitive. Yet our clients are still able to use these tools. Their secret?

They don't create their magazines from scratch. They customize components that are already in place, leveraging the expertise and effort of others. It saves them time and money, and from their client's view, the magazine is unique to the business.

CONCLUSION



Growth hacking is all about working smarter to grow your business. If you rely on referrals, then relationships are your business. Focus on growing and strengthening them.

Use the principles outlined in this e-book to guide your strategies, and come up with your own as well. With a little hard work and dedication, you'll be growth hacking your way to more referrals.

ABOUT



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ReminderMedia has been providing unique, top-of-the-line client follow-up tools since 2003. With an established foundation in relationship marketing—and products like American Lifestyle magazine, we've developed the techniques and innovations that allow clients in every industry to take advantage of referrals and repeat business like no other solution on the market.