

AMERICAN EXPRESS® OPEN FORUM GROWTH GUIDE

4 Growth Hacks for More Engaged Customers

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About the Author

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Sean Ellis is credited with coining the term “growth hacker” and has played key early growth and marketing roles at several companies that have exceeded billion dollar valuations including Dropbox, Eventbrite, LogMeIn, Lookout and Uproar.

He led marketing at both LogMeIn and Uproar from customer zero until IPO filings and is now the founder and CEO of GrowthHackers, an integrated community and workflow system for the next generation of agile growth organizations.

INTRODUCTION

As a business owner, you may think that responding to complaints and pursuing sales leads is enough to keep customers engaged with your business. But to build stronger bonds that yield repeat purchases, long-term loyalty and new referrals, you should develop an active engagement strategy. You should become a growth hacker.

I coined the term “growth hacker” in 2010 to describe business leaders who focus every strategy, tactic and marketing message on a single goal: growth. In short, growth hacking involves rethinking how and why your business is relevant to consumers.

Let's say you've opened a new store location, and after an initial surge of customers, foot traffic has started to dwindle. Instead of rethinking prices or product mix, a growth hacker would see that the business's product isn't just what it sells in the store, but the experience that customers receive there and how it shapes their perception of the business as a whole.

A growth hacker would break down the customer experience moment by moment, testing new approaches to improve the way customers—and potential customers—interact with the brand. A growth hacker would also collect data with each test and then optimize based on what's driving results. That could mean changing how staff members greet, assist and recommend items to shoppers, then following up with a customer satisfaction survey to measure a customer's individual experience and then refining the strategy based on the data collected.

But you don't need to be an e-commerce brand or brick-and-mortar retailer for growth hacking to be a powerful tool for increasing customer engagement. To harness the principles of growth hacking for your business, you can start by following the simple steps outlined in this guide.

01 *Reach Out the Right Way*



THE GROWTH HACK

Find out what interests your existing customers and look to publish material that will appeal to them on a human level. This material should be connected to your brand and product offering, without being too directly focused on making a sale. Think of marketing as being closer to a conversation than a sales strategy.

The foundation for a successful growth-hacking strategy is to deliver the right messaging that will help build engagement with your customer base.

Growth hacking is about producing content that will connect with an audience based on their own interests, rather than just the interests of your brand.

To achieve this, look at the goods and services you offer and place them within the larger context of customers' lives. Your goal should be to create content that makes it clear your company understands what matters most to your audience.

For example, let's say you run a designer clothing store, and the majority of your clientele is younger women. Your target customers might appreciate hearing about other beauty and lifestyle tips beyond the products you're selling. If they're buying outfits for a special occasion, they might be interested in ideas for putting together the perfect dinner party.

You can create or curate content, such as blog posts, articles, infographics or even videos that fit these secondary and tertiary customer needs. For instance, I've been creating articles and blog posts explaining a common set of problems my customers often face. I've developed a tool that solves those problems, and even though it's not publicly available yet, 2,000 companies have already signed up to be on the waiting list because the prerelease content has appealed to them so strongly.

02

Prove Your Value



THE GROWTH HACK

Engage in conversation to determine your value proposition, and start giving useful information and building meaningful connections. Also, consider education efforts that help solve your customers' problems as another way to show the extra value you're committed to delivering.

Once you've created content you think will resonate with your customers, you need to take the next step of proving extra value.

This means going above and beyond transactions, so that your customers aren't just buying products from your business, but are also gaining useful information that will help them in their lives.

Be aware that the needs of new customers can be very different from those of existing customers. For that reason, you might benefit from splitting up your brand's online personas, maybe by creating two separate Twitter accounts, in order to better target existing clients with one account and potential customers with another. Engage with both audiences, learn what they want to hear and tailor your communications to a format that generates responses.

Another way to highlight your business's value is through consumer education efforts. For example, if your business is a restaurant, you can host a webinar or an in-person event to teach consumers about wine appreciation. Or if you operate a sporting goods store, you can have personal trainers come in to teach customers about the proper way to use equipment to achieve the best results. Remember, though, that this type of education is not necessarily centered on your product, but rather the context in which your product makes sense.

03

Test and Optimize Your Approach

The next step is to test which channels and outreach methods are effective for your brand and your content, and then optimize based on your findings. You're not looking for the approaches that just "work," but what works best for your business.

So what does testing mean? It means using a specific platform—whether that's a sales lead channel, a social network or email—to deliver messages about your company, and then measuring whether you're seeing a positive response from customers, which may be reflected in increased sales or higher engagement with your brand.

A basic, but effective, form of measurement can be done through multi-variant testing. Let's say you're planning to reach out to 500 customers with a new piece of content and you want to determine whether Facebook, Twitter or an email newsletter drives more traffic back to your business's website. Select a smaller sample group of around 60 people, and send one-third



THE GROWTH HACK

Implement a testing and optimization strategy to refine and strengthen your engagement plan. Measure response and conversation rates for content on every outreach channel. Based on your test results, determine the route that's most effective for your business and start making incremental improvements that will deliver better results and drive new growth.

of them a Facebook message, one-third a tweet and one-third an email. If you discover that 30 percent more people click through to your website via one platform, you can then decide to send the rest of the 500 customers a message through that platform instead of using the others.

In my own experience, I've found that testing can be a powerful asset. For example, at my company Qualaroo, an online marketing survey business used by 150,000 marketers each month, we initially assumed that Twitter would be more of an acquisition channel to drive new users to our brand. But testing showed that it was actually our best retention channel instead. We found that 60-70 percent of our audience was reading content on our website and coming back to read new material when they heard about it through Twitter, so that knowledge enabled us to tailor our messaging around retention when working on that platform.

This kind of testing leads to optimization—now that you've determined which channels to focus your resources on, you can continue to test the best message within those channels.

You can test multiple subject lines, content types,

“Even tests that don't deliver improved results can help you optimize. When you don't see the positive response you were hoping for, don't consider your effort a failure, but a lesson.”



landing pages or navigation menus to pinpoint the most effective combination of elements to engage an audience. Try enough variants and make incremental improvements, and you'll eventually find the optimal path.

Even tests that don't deliver improved results can help you optimize. When you don't see the positive response you were hoping for, don't consider your effort a failure, but a lesson. You've learned something: what works, and what doesn't work.

At Qualaroo, for example, we thought we'd be able to accelerate growth by creating a free version of our product. But it turned out demand did not increase much with a free offering. We didn't consider it a failure, though, because it helped us discover that our customer base has less price sensitivity than we originally thought. That allowed us to go upmarket with an increased price, without seeing a decrease in demand. In short, we found an approach that helped us drive growth even when a new product didn't take off.

04 *Use Your Learnings to Retarget*



THE GROWTH HACK

From your testing and optimization, you should have gained a considerable amount of findings regarding your customers' habits and preferences, which can then lead directly into a smarter retargeting effort to increase sales.

You've found ways to optimize your outreach and improve your chances of getting a positive response from customers, but now what do you do with the people you've reached out to who haven't fully engaged with your brand?

It's time to try retargeting, which is the practice of reaching out to potential customers again in the hope of securing a sale.

One way to think about online retargeting is that you have the ability to isolate specific customer groups, like men aged 30–40, or women living in the Southwest. You can also look at just the people who reached your checkout page but didn't actually buy anything, and then group those people together and set up new targeting criteria in your content and ads to reach them.

There are several ways to do this. One of the most common is using a simple cookie placed in a customer's browser, which enables you to serve specific ads or content to that user based on what they viewed on your website. Another common method is uploading a list of your customers' contact information

onto a social network like Facebook or Twitter, and then having those platforms serve ads or content just to the specific users you've listed.

The goal is to reach the people most likely to buy your solution, and those visitors who came close to checkout are the ideal fit. Someone who goes that far down the sales funnel is a lot more qualified to buy than someone who doesn't.

Retargeting your ads onto customers who got close to a purchase is one of the smartest ways to seize an opportunity for a future sale. Aim to have all your content be as targeted as possible.

Look Forward, Not Back

To be a growth hacker, you need to embrace the four key principles I've outlined:

1

Create meaningful messages for your audience.

2

Prove your company's added value.

3

Use testing and optimization to zero in on the most effective channels and content.

4

Harness your data into retargeting to further drive engagement.

Remember that when it comes to growth hacking, there's no stopping point. Always be improving, optimizing and pushing your company's performance toward growth.



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