New Media Management

Lesson 2

Goals - Marketing

- Brand Awareness

- Brand Loyalty

- Customer Engagement

Digital Marketing

- Digital marketing is marketing that makes use of electronic devices such as personal computers, smartphones, mobile devices and game consoles to engage with stakeholders.

- Digital marketing applies technologies or platforms such as websites, e-mail, apps (classic and mobile) and social networks.

Drawbacks

- Digital Marketing is not universal : not everyone can be reached
- Digital Marketing is way more complex than traditional marketing
- "Dark side"
- "User awareness" is limited

Digital Marketing Tools

- Blog
- Websites
- Social Medias
- Mobile Apps
- Video Games
- Videos
- Forum
- Mailing Lists
- PPC Advertisements
- Impression based Advertisement

Digital vs Traditional

- Digital marketing allows to Track ROI more accurately than Traditional techniques
- Digital Marketing allows better stakeholder segmentation
- Digital Marketing allows multi-channel communications
- Digital Marketing allows accurate target analytics

Digital vs Traditional: GOALS

- Traditional marketing aims to reach the biggest audience, and vehiculate brand related messages

- Digital Marketing aims to pinpoint "ideal" receivers and vehiculate a message aimed to trigger behaviours

Digital vs Traditional: Efficacy

- Traditional marketing results are not easily accountable, and they require generally a great budget

- Digital Marketing results are measurable and their quality can be assessed precisely.

ROI – Return of Investment

$$\frac{(\text{Return} - \text{Investment})}{\text{Investment}}$$

ROMI – Return of Marketing Investment

(Incremental revenue attributable to marketing * Contribution Margin (%) – Marketing Spending)
Marketing Spending

Return on marketing investment (ROMI) is the contribution to profit attributable to marketing (net of marketing spending), divided by the marketing 'invested' or risked. ROMI is not like the other 'return-on-investment' (ROI) metrics because marketing is not the same kind of investment.

ROMI – Return of Marketing Investment

Analytics software to understand :

- Current Traffic

- Conversion Rate

- Average Sale

Digital Marketing – Some tools

- Impressions: how many times a specific message\ad has been displayed by target
- CPM: Cost per thousands
- CPC: Cost per click
- Leads: Exposure to buying
- Conversions: how many sales are generated from a lead
- Target: behaviour we want to trigger

ROMI based transition

Traditional Marketing

Digital Marketing

Growth Hacking

Growth Hacking

Growth hacking is a marketing technique developed by technology startups which uses creativity, analytical thinking, and social metrics to sell products and gain exposure.

It can be seen as part of the online marketing ecosystem, as in many cases growth hackers are using techniques such as search engine optimization, website analytics, content marketing and A/B testing.

Growth hackers focus on low-cost and innovative alternatives to traditional marketing, e.g. utilizing social media and viral marketing instead of buying advertising through more traditional media such as radio, newspaper, andtelevision.

Growth hacking is particularly important for startups, as it allows for a "lean" launch that focuses on "growth first, budgets second"

Facebook, Twitter, LinkedIn, AirBnB and Dropbox are all companies that use growth hacking techniques.

Wikipedia

Growth Hacking

- Low budget (grow first)
- Highest possible ROMI
- Analytical thinking (A\B tests)
- Data Driven
- Unconventional techniques

Paradigm Shifting in Marketing

Traditional Marketing:

Creating an **appealing** message

Digital Marketing:

Creating an **effective** message

Growth Hacking\Viral:

Creating a **self-propagating** message

Growth Hacking + Online Marketing

- Instead of focusing on the maximum outreach of our communication, we focus on engineering a self propagating message
- We leverage the "me-too" effect and increase user engagement
- We obtain a more effective communication strategy at a lower cost
- It is however, very difficult to create an effective growth hacking strategy

Growth Hacking – Some sort of strategy

- Growth Hacking is not condensable in a bullet point strategy

- It's more of a mindset, a mechanic

- There are however, some basis that can define pretty much every growth hacking strategy

First Step – Product Market Fit

- Not every product is worth our attention
- We can't afford to market an unsuccessful product
- Marketing the right engineered product is key to success
- As growth hackers our job starts before the product is defined

First Step – Product Market Fit

We start with a **Minimum Viable Product**

Is an early, bare-bones version of a product that allows founders to collect meaningful data about their potential customers quickly and with little efforts.

By starting with an MVP you can isolate who yor customers are, figure out their needs and design a potentially successful product.

These are marketing decisions! Not just development and design choices!

First Step – Product Market Fit

Once we get our MVP:

- Spread to a selected audience of potential customers
- Collect their feedbacks, suggestions, analyze metrics
- Change the product according to the data
- Analyze again!
- Eventually you'll get to Product Market Fit

First Step – Product Market Fit

Product market fit is the achievement of a state in which a product and its customers are in perfect sync one with each other.

Products, businesses, brands should be changed until they are primed to generate explosive reactions from the first people who see them.

You want to get the "WOW effect"

Product Market Fit - Tools

Focus groups:

- Questionnaires (google forms)
- Email feedbacks
- Analytics tools

Product Market Fit - Tools

A\B Tests

Create two (or more) versions of a website or product, show them to people and see what performs better.

This is pure data-driven approach!

Step Two – Grow your growth

- Work month in advance to prepare your hack
- Build a Mailing list
- Find suitable partnerships and co-marketing opportunities
- Build your social media kingdom
- Analyze your target behaviour and spot of interests

Grow your growth - Tools

BLOGGERS:

Offer to write free blog posts on relevant blogs. Start with publishing posts on different matters than your product, then when you're about to launch write about yourself.

Contact famous bloggers and let them understand that writing about your product will bring visits (and traffic = revenues).

Once you've made it to blogs, it's extremely likely that you'll be featured also in major publications.

Grow your growth - Tools

BLOGGERS:

- Rule of thumb: 10k visitors per month
- Tools: Alexa, Quantcast, Compete

Grow your growth - Tools

Services:

You can use third party services to "hook" their growth (paypal -> ebay, zynga -> facebook).

Find any relevant service to your product and think on a possible cooperation which will bring mutual results.

Establish a partnership and track their performance during the promotion, in order to focus on the best performing.

Tools:

- Google Analytics

Grow your growth - Tools

Mailing lists and other:

- May seem obvious, but growing your mailing list is something you should do. Now.

- Start with a blog, obtain them from similar companies, use giveaways.

- Mailing lists are excellent converters.

Tools: Mailchimp

Grow your growth - Tools

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Tools: Mailchimp

Grow your growth – Find your Stunt

A stunt is the way to get people talking about, or interested in trying a product or service.

Stunts are generally meant to kick-start the whole growth-hacking process.

It is the "magic trick" that comes from accurately mixing analysis and creativity.

Grow your growth – Find your Stunt

Not everyone can find a great stunt. But relying on some techniques we've seen during the classes, will bring acceptable results.

Grow your growth – Find your Stunt

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Step Three – Virality

Virality

Is the person-to-person spread of a product or an idea. In the growth hacking paradigm we are looking for scalability:

Involve users, which will then bring in more users.

*Virality at its core is asking someone to spend their **social capital** recommending or posting about you for **free**.*

Viral Loop

The process by which a person goes from seeing a product or service to using it and sharing it with others.

Step Three – Virality

Viral coefficient – K factor

Is typically used in medicine to describe the contagion of a disease.

The viral coefficient measures the number of new users that each existing user is able to convert.

If each user is bringing in, on average, more than one user, then the K factor is greater than one (what we aim for).

*A product or business or piece of content will go viral only if it provokes a **desire in people to spread it.***

Step Three – Virality

Desire in people to spread it:

- Incentives (share to download)

- Monetary incentives (share for discount)

- Social incentives (reputation)

Step Three – Virality

Stickiness:

The stickiness of a service or product can be thought of as how likely someone is to buy your product repeatedly or recommend it to others.

Step Three – Virality

Stickiness:

- When someone signs-up, do they become active users?

- Do they quit and leave?

- How is the user interaction?

- Is the service or product addictive?

Virality – Principles

Give Away Valuable Products or Services

Most viral marketing programs give away valuable products or services to attract attention. Free email services, free information, free "cool" buttons, free software programs that perform powerful functions but not as much as you get in the "pro" version.

Virality – Principles

Provide for Effortless Transfer to Others

Viruses only spread when they're easy to transmit. The medium that carries your marketing message must be easy to transfer and replicate: email, website, graphic, software download. Short is better.

Virality – Principles

Scales Easily from Small to Very Large

To spread like wildfire, the transmission method must be rapidly scalable from small to very large.

Virality – Principles

Exploits Common Motivations and Behaviors

Clever viral marketing plans take advantage of common human motivations.

Design a marketing strategy that builds on common motivations and behaviors for its transmission, and you have a winner.

Virality – Principles

Utilizes Existing Communication Networks

A person's broader network may consist of scores, hundreds, or thousands of people, depending upon his or her position in society. Learn to place your message into existing communications between people, and you rapidly multiply its dispersion.

Virality – Principles

Takes Advantage of Others' Resources

The most creative viral marketing plans use others' resources to get the word out. Affiliate programs, for example, place text or graphic links on others' websites. Authors who give away free articles, seek to position their articles on others' webpages. A news release can be picked up by hundreds of periodicals and form the basis of articles seen by hundreds of thousands of readers.

Step Four – Optimization and retention

- Growth Hacking is a data-driven technique
- Once we deploy it, we don't stop tracking its performances.
- Instead, we want to understand what works and what doesn't and pivot our campaing accordingly

Step Four – Optimization and retention

Pivoting

A structured course correction designed to test a new fundamental hypothesis about the product, strategy and engine of growth.

Changing strategy according to results:
- Maximizing efforts on working strategies
- Dropping uneffective ones
- Develop new ideas in reaction of user behaviour

Step Four – Optimization and retention

Conversion rates

How many people perform your desired actions (purchase, subscribe) on total people who see your product or service.

Step Four – Optimization and retention

Cohort Analysis

Divide specific group of users (segmentation) and analyze their behaviour in a defined time frame. This allows to tailor specific communications to specific group of people and maximize results.

Step Four – Optimization and retention

Bounce Rate

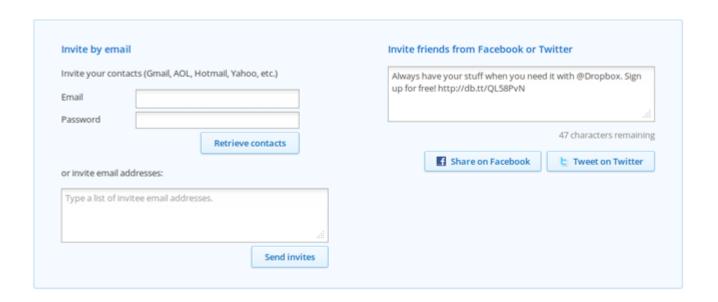Is comparable to stickness, but it's generally intended to measure behaviours on websites.

- When a user goes on a website, what percentage of them immediately leaves?

Growth Hacking – User Acquisition strategies

- Go Find Your Users (identify and get into their circles)
- The Viral Loop (create viral content to get their attention)
- Word Of Mouth (invest on user experience)
- Free (give aways)
- Referrals
- Content (become thought leader)
- SEO
- Press
- Guerrilla Marketing (unconventional marketing)

Case Study – The double-sided incentive

Drop Box

Case Study – The double-sided incentive

Drop Box

- Refer the service to a friend, and you get something for free

- Your friend also gets something for free

- Double motivation

Case Study – Scarcity and Action

Paranormal Activity

Case Study – Scarcity and action

Paranormal Activity

- 15k budget
- The movie was initially released to a small number of cities; however, after the goose bump inducing trailer, a call to action appeared prompting fans to "demand" the movie play in their city.
- If a city reached a certain number of people demanding the movie, it would play in that city.
- If there's anything that piques people's interest, it's not having access to something.

Case Study - Endorsement

Internship.com & Charlie Sheen

Charlie Sheen ✔
@charliesheen

Follow

I'm looking to hire a #winning INTERN with #TigerBlood. Apply here – http://bit.ly/hykQQF #TigerBloodIntern #internship #ad

10:03 PM - 7 Mar 2011

↩ ⟲ 7,675   ★ 1,855

Case Study - Endorsement

Internship.com & Charlie Sheen

- Internships.com asked Charlie Sheen (which was having tough times) to use their platform to hire an intern, he did by inviting pretty much everyone in the world to be his social media intern tweeting the message.

- The website saw 74,000 applicants in the first 48 hours following Sheen's first tweet and over 1 million unique visitors during the length of the campaign

Case Study - Humour

Dollar Shave Club

Case Study - Humour

Dollar Shave Club

- As a man, buying razors is an annoying process. Dollar Shave Club sought to remedy that with a razor subscription service. But it wasn't the service itself that made it a popular water cooler topic, it was the waythe service was marketed.

- One of the most successful campaign ever. (2M)

Case Study - Catchy

Dumb Ways to Die (Melbourne Metro)

Case Study – Exclusivity

Grey Poupon Society of good taste

Case Study – Exclusivity

Grey Poupon Society of good taste

- Since Pages have existed, brands have been trying to acquire as many fans as possible. However, Grey Poupon decided to go against that practice and actually reject people who weren't "sophisticated" enough.

- The Society of Good Taste used Facebook Connect to access a rather large amount of data from your profile to decide if you are "worth to like them".