

Twitter Thread by Growth Tactics



Growth Tactics

[@GrowthTactics](#)



THREAD: How to grow your startup through referrals, and word of mouth.

(Actionable tactics from working with 400+ startups)

Here's the truth: Your startup most likely won't make a video and go viral like Dollar Shave Club.

So instead of trying to "go viral," focus on acquiring customers through fans who already love your product.

There are 3 ways to grow through your current customers:

1. Product-led growth: Your product is built for sharing.
2. Word of mouth: Users proactively recommend your product to friends.
3. Referrals: You create an incentivized reward program.

Let's dive into each ■

Product-led growth.

It's powerful: You don't have to artificially incentivize users to refer—you simply empower them & get out of their way.

E.g. To pay someone with PayPal, the payment recipient needs to first join PayPal—they're incentivized to sign up to receive their cash.

Product-led growth is possible when ppl use your app to:

- Transact or collaborate w/ others (PayPal, Dropbox, Zoom, Slack). These products are only effective when others use them with you.
- Create content intended to be shared w/ others (Twitter, Instagram, YouTube, Cameo)

If your product doesn't fall into one of the 2 categories (used to transact/collaborate or used to create content intended to be shared), product-led growth might not be the main way you grow your startup.

But that's okay. You can lean into word of mouth or referrals.

Word of mouth (WOM).

It's a measure of how good your product experience is.

E.g. the product is so good that users proactively recommend it to others.

Every company should earnestly pursue WOM. An incredible product makes every part of growth easier.

WOM is the result of a product that:

- Removes obstacles or pain from people's lives.
- Gives people dopamine hits of delight or entertainment.

Some companies that get WOM right don't even need to spend on advertising—people can't stop talking about their product.

Your potential for WOM success is also a function of how big you and your market are:

If you only sell to 10 people/month, you are unlikely to see runaway WOM—not enough kindling for the fire.

Tip: Consider testing ads to get an initial user base to fuel the WOM fire.

Referrals.

Transactionally incentivizing users e.g. "refer a friend and get \$50 off"

The key is knowing:

- When to offer an incentive (easy—right after users experience the most delight from your product)
- Which incentive users actually value (explained below ■)

Most users don't care about earning a bit of cash.

Instead of cash, try rewarding users with more access to the CORE PRODUCT.

E.g. when you invite someone to Dropbox, you're rewarded with extra storage. Storage is what people signed up for—give them more of it.

If you can't reward with more access to your core product, then the cash reward must be SIGNIFICANT:

- Physical goods: Offer the product for free once someone refers 5 other customers.
- Subscription services: Offer the service for free for, say, 3 months. Not just one month.

3 metrics to focus on:

1. Reduce lag time between a user signing up —> referring someone
2. Increase the number of referrals made/user
3. Increase the percentage of new users who accept a referral invite

Growth starts with onboarding

- Referrer's perspective: They're prompted to invite friends while signing up.
- Referee's perspective: Onboarding is the first step you experience after clicking an invite link & signing up.

So optimize your onboarding: <https://t.co/slf8uGXNzV>

THREAD: How to get users to use your app \U0001f447

Most SaaS apps lose 95% of new users within 90 days. That's insane.

They tend to lose those users during onboarding\u2014when a first impression is made.

Here's how to avoid this.

— Growth Tactics (@GrowthTactics) [February 12, 2021](#)

Takeaways:

Build an amazing product that:

- Lends itself inherently to growth (users get more value from the product when others use it with them).
- People can't stop talking about.

Then accelerate WOM through a low-friction and enticing referral program.

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