Formula for driving business growth cost-effectively

Jennifer Apy, Innovate Strategy Group
Small Companies & Startups: Disruptive growth starts by harnessing customer-centric insights to develop innovative, cost-effective growth strategies. We can help.
What do we do?

We help small companies and startups achieve cost-effective, sustainable growth

• Gain customer & company insights
• Develop ideas, and “efficient demand gen”
• Mentor teams to peak performance

Jennifer Apy
CEO
Turnaround or growth, it’s getting your people focused on the goal that is still the job of leadership.

– Anne M. Mulcahy, Former Chairperson and CEO Xerox Corporation
How do you get your marketing team on track to drive growth cost effectively?

- Define product/channel strategy (establish goalposts)
- Find efficient demand gen drivers (develop go-to-market)
- Support the process, and the team (sustain and maintain)

We’ve turned this into a “step by step” approach to growth!
Achieving a “cost-effective” formula
Let’s get started!
Product/channel strategy – 4-Quadrant

Traditional approach

- Market Penetration
- Product Development
- Market Development
- Diversification
Adapting 4-Quadrant for SMB

Focus on existing channels or existing products

SMB GROWTH STRATEGIES

- **Existing Product/Service**
  - Shift Portfolio Mix (Rev/Profit)

- **Existing Channel/Market**
  - Funnel Optimization

- **NEW Product/Service**
  - NEW Channel / Market Development

- **NEW Product / Service Development**

Channel = retailer, distributor, ecommerce/website, advertising, social platform, relationship selling/marketing, salesforce, organizations, digital marketing, online marketplaces, partners, etc – any method used to sell products or services
Optimize product demand gen

Increase demand of “hi rev/hp profit” or “hi vol” products

1. Messaging – supersize, rightsize, benefit driven

2. Behavioral science cues for ecommerce – most popular, social proof

3. Channel/Sales -- Incentives or Merchandising

4. Direct – email nurturing, events, digital ads, influencers

Considerations: Cost of acquisition, ROI, current marketing skillsets
**AB testing example**

**Strategy:**
Shift portfolio toward higher revenue & profit

**Hypothesis:** Supersize on the left, add “eyebrow”

**Results:** Lift in AOV, Conversion %, LTV

**Approach:**
Test-Learn-Iterate-Test
Increase market penetration & yield
Optimize existing marketing & launch new programs

1. Find and fix “leaks” (drop offs in funnel conversion – from signups to sales)

2. Test new programs/content that will nurture leads and increase conversion

3. Test acquisition drivers (top of funnel)

Funnel Optimization

Sharpen messaging, cut thru the clutter (branding & awareness)

Considerations: Prioritize initiatives based on potential, effort and “TTRG” (time to rev gen)
Find existing market gaps
Leverage channels with additional products/services

Derivatives of existing products….
• Fill “needs gaps” for existing audience
• Target a new audience within existing channels

NEW Product/Service Development

Accessories, add-ons or deluxe services that can be sold to existing customers

Considerations: Cost of Market Dev vs Product Dev, Market Potential
Find strategic fit -- New market/partners
Leverage existing products/services with new channels

NEW Channel / Market Development

Are there new markets for an existing product?

Find new partners who can deliver.....

Incremental reach

Incremental audiences

Or entirely new market segments

Considerations: Cost of Market Dev vs Product Dev, Channel Potential (market reach)
What’s the best opportunity for you?

Write down 1 idea for each category that you want to review with your teams.
Develop demand-gen strategies
Add “efficient” accelerants

Finding network effects will lead to the most efficient marketing mix

- Experience
- Product / Service
- Socialize
- Success Stories
- Accelerate
- Word of Mouth
- Inspire
- Viral Sharing
- Incent Trial & Referral
- Finding Network Effects
Picking the most efficient accelerants

Know your audience!

• Consumers vs enterprise vs “prosumer”
• Decision making lifecycle, roadmap to conversion, lookback window
• Broad appeal vs narrow niche
• Viral vs non-viral
• Necessity vs luxury
Finding efficiency drivers & mix (TOF)
Works across industries and business types

Product  Service  Online Subscription
Finding efficiency drivers & mix (TOF)

Case study #1

Leading acquisition drivers

- Event marketing (demo, social)
- Brick & mortar retailers (experience quality)
- Sampling (referral)

Note: Actual execution differed by target market
Finding efficiency drivers & mix (TOF)

Case study #2

Leading acquisition drivers

• Online research (Geo- PPC)
• Partnerships (B2B2C)
• Content marketing (success stories)
Finding efficiency drivers & mix (TOF)

Case study #3

Leading acquisition drivers

- Campus presentations & outreach (Inside sales, B2B marketing automation, retargeting)
- Social influencers (referrals)
- Content marketing (SEO)

Note: Lead acquisition drivers changed over time, with increased market awareness
Determining marketing goals

Step #1 Assess audience awareness
Step #2 Identify marketing priorities

**Low Brand Aware** +

**Low Product Aware**

Product Benefit Messaging +
Social Proof +
In-person Trial / Referral

Goal: **Get first adopters to share their story**

**Low Brand Aware** +

**Hi Product Aware**

Brand Benefit Messaging +
Product Social Proof +
Advertising

Goal: **Create brand halo that promotes product choice**

**Hi Brand Aware** +

**Low Product Aware**

Product Benefit Messaging +
Brand Social Proof +
Sponsorship, Sampling, Advertising

Goal: **Product Trial**
Finding efficiency drivers -- What’s yours?

Questions to ask yourself

How do I create an experience with my product or service?
In what situations would people talk about my product/service readily?
How do I make it easy for customers to share recommendations with others?
What are potential “network effects” for my industry or market space?
What is the most targeted way to reach my niche?
Can I leverage organizations & partnerships?
Partner exercise
Take turns as Partner 1 and Partner 2

Partner 1:
• Describe your company’s product or service
• Explain 1 idea for driving lead/customer acquisition for your company

Partner 2:
• Listen to the idea, ask clarifying questions if needed
• Then, pretend you are a happy customer of Partner 1’s company -- how would you share your recommendation with a colleague?
“Growth hacking” generally doesn’t work

Short term gains may not lead to long term results, and can be costly

1. “Click bait” or “follow to win” drives unqualified, low-intent traffic
2. Dilutes ROI: Nurturing leads that do not convert
3. Opportunity cost: Dilutes conversion profiling, delays learning
4. Does not build customer trust and loyalty, slows marketing growth
5. Risky, may spend a lot and get nothing

**Alternative:** Test-and-scale approach
Digital marketing “test and scale”
Develop a go-to-market approach that leverages learning before increasing spend

1. **SEO**: Hi-intent keywords -> SEO optimize -> paid digital campaigns
2. **Audience**: Personas -> platform targeting -> test new audiences
3. **Messaging**: Test and optimize creative & landing pages
4. **Influencer**: social media -> amplify, sharing & referrals
5. **Retargeting** can be effectively layered onto an efficient pipeline

Build a traffic pipeline to deliver the right audiences at an acceptable ROI.
## Minimize investment, then scale

<table>
<thead>
<tr>
<th>Marketing Program</th>
<th>Start</th>
<th>Scale</th>
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<tbody>
<tr>
<td>Ambassadors, Events</td>
<td>Test Local</td>
<td>Go broader, manage remotely</td>
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<tr>
<td>Referral Program</td>
<td>Manual Implement/Fulfillment</td>
<td>Automate or outsource</td>
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<tr>
<td>Paid Digital Marketing</td>
<td>Small AB tests</td>
<td>Bet on winners</td>
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<tr>
<td>SEO</td>
<td>Analyze current keyword drivers</td>
<td>Build out content marketing</td>
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<tr>
<td>Outbound sales</td>
<td>Test messaging with live conversations</td>
<td>Automate lead nurturing</td>
</tr>
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Leverage organizations

**B2C Company:** B2B2C

**B2B Company:** C2B2B

**PARTNERSHIPS**

Your Company

**ACCOUNT BASED TARGETING**

**Associations**

**RETARGETING**

**CONTENT BASED FUNNEL NURTURING**
Setting direction for your teams

Leadership in action

Questions you can ask to evaluate current programs

• How do happy customers share today?

• How can we amplify sharing, and get more people to share?

• What is the overall cost of acquisition (total cost / total conversions)? Can new programs meet/beat, or help drive the avg cost down?
Test & scale

- Mentor Teams to Peak Performance
- Test Into Results
  Driven, Scalable Marketing Plans
- Develop & Execute
  Demand-Gen Strategies
- Brainstorm New
  Opportunities
- Sharpen Messaging
  & Channel Focus
- Gather & Analyze
  Customer Insights
Testing & iterating recommendations

Best practices that will enable top speed

- Articulate clear business goals & measurable results
- Use funnel metrics to communicate impact
- “Make vs buy” (Retrain, hire or agency?)
- AB Test when possible
Measuring results (funnel view)
Maps to customer journey: awareness, acquisition, consideration, conversion, retention/loyalty

- Always evaluate direct conversions from any campaign
- There may be intermediate goals that determine campaign success
- Intermediate goals depend on type of product and length of lookback window
Calculating funnel impact

“Funnel” may be more of a “bucket”
• Measuring true attribution is hard
• Qualitative understanding of the customer journey can help determine which programs are most impactful
Growth: Case study #1

Leading acquisition drivers

- Event marketing (demo, social)
- Brick & mortar retailers (experience quality)
- Sampling (referral)

- New market vertical
- $0 - $MM in annual revenue within 3 years
- ROI 10:1 (revenue)
Growth: Case study #2

Leading acquisition drivers

• Online research (Geo- PPC)
• Partnerships (B2B2C)
• Content marketing (successes)

• Increased market penetration
• Paid digital -- profitable
Growth: Case study #3

Leading acquisition drivers

• Campus presentations & outreach (Inside sales, B2B marketing automation, retargeting)
• Social influencers (referrals)
• Content marketing (SEO)

- Steady YOY growth
- Profitable
Evolve the team

Instead of “make vs buy”, consider the following:

• Hire an agency or specialist/freelancer (speed up time to market)
• Designate staff that will shadow/learn on the job
• Determine value to company, to justify future new hires to support existing staff
• Focus agency on bleeding edge projects requiring new expertise; focus internal staff on optimizing winners
Final thoughts

• Cost effective growth plans flow from understanding of your customer, product/channel opportunities, and the right accelerants to inspire viral sharing.

• Find network effects and test into effective demand gen tactics.

• Cost-effective marketing is a **constant optimization exercise**, should be part of your company culture, and your team’s growth plan.
Today’s speaker

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Ready to get started?
For a discount on our “Growth Acceleration Guide”, email jenniferapy@innovatestrategygroup.com
Benefit-driven messaging

- LUXE JEWELS
  - Affordable Hand-made Jewelry
- A Bit of Everyday Luxury

- Tynker
  - The Creative Computing Platform
- Coding for Kids

- Picmonic
  - Learn more in less time

-$1 million+ revenue
20 million+ users
20+% YOY growth
**Efficient demand gen: digital**

How to think about your options

“High intent targeting”
(keyword driven)

- Search
- SEO

“Demo/interest targeting”
(audience driven)

- Google
- FB
- YouTube

Retargeting can be layered on top of either strategy.
Works efficiently if your audiences are highly qualified.
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