

A large, stylized orange spiral maze dominates the background. In the center of the spiral, a small silhouette of a person stands facing away from the viewer, looking towards the bright center of the spiral. The background is a cloudy sky.

The Growth Marketer's Guide to Customer Engagement

Discover the strategies and tactics that make user acquisition, retention, and LTV skyrocket

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Is Your
Growth
Marketing
Strategy a Hit
or a Flop?



“Finance owns the flow of cash in and out of a company, growth owns the flow of customers in and out of a product.”

– Andy Johns, VP of Growth at Wealthfront

Growth Marketing Defined

(what it is and isn't)

What is Growth Marketing?

Is growth marketing the same as any other form of marketing? Opinion is split, but we prefer the following definition:

Growth marketing drives increased user engagement, by extending the boundaries of the product into marketing channels

There are 2 key elements of this definition:

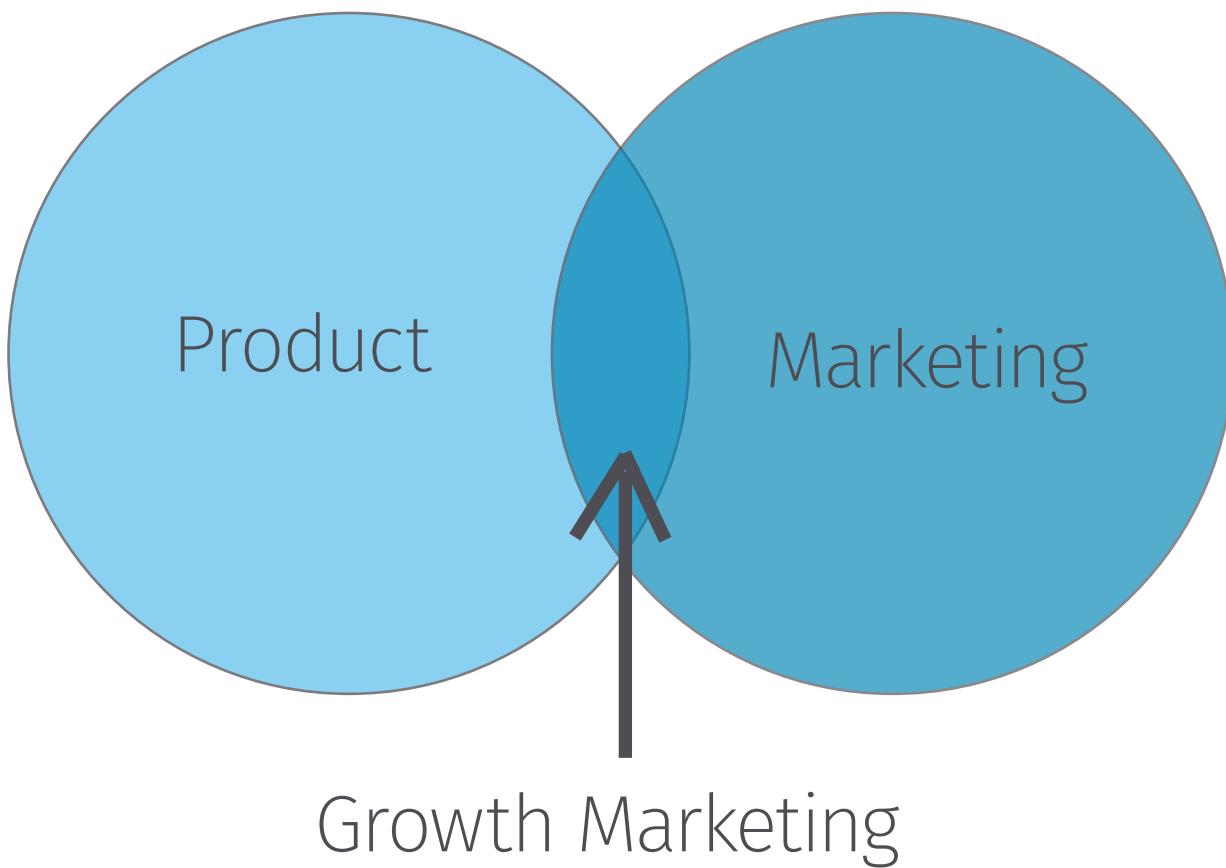
What do growth marketers do?

Growth marketers drive higher user engagement with the product that they are marketing.

How do they do it?

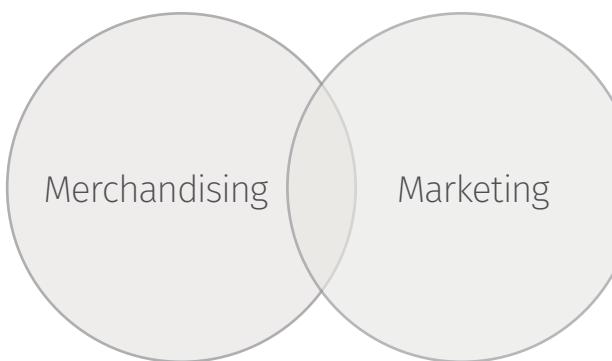
They achieve this by taking the product into channels that are traditionally considered marketing channels, e.g., email marketing or mobile push notifications.

If you were to think of product & marketing as 2 different functions, growth marketing is the area where the two meet:



What does this look like for retail?

This might mean different things for different industries. For instance, in retail & e-commerce industries, the notion of "product" is closer to merchandising, and you might see growth marketing at the intersection of merchandising and marketing:



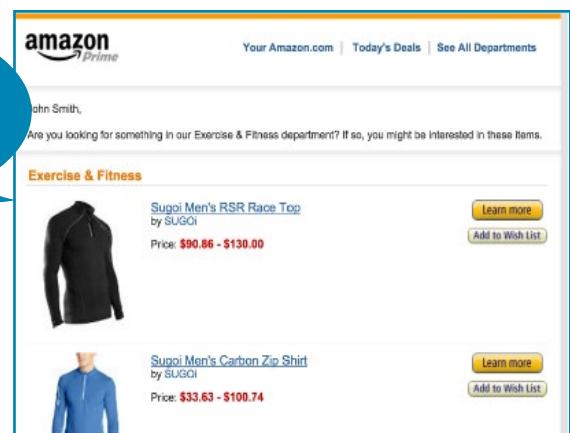
Examples: The Intersection of Product & Marketing

Let's look at some examples of some growth marketing delivered in the form of email notifications. In the following examples, we will see how email, traditionally a marketing channel, is being used to extend the boundaries of the core product by delivering recommendations from within the product:

Twitter's email notifications
with recommendations on who to follow



Amazon's abandoned browse emails
showcasing relevant merchandise



Foursquare's push notifications
featuring tips about restaurants and other places



What Growth Marketing Is NOT...

Growth marketing is not simply digital marketing, or in other words **all digital marketing is not growth marketing**

While we are on the subject of defining growth marketing, we should make it clear what it's not. As you can see from the examples above, growth marketing is not simply digital marketing, or in other words all digital marketing is not growth marketing. Growth marketers certainly use digital marketing channels, what makes them different is that they do it in a way that features relevant content from the product.

Growth marketing is also not the same as “growth hacking”, a practice of customer acquisition through unconventional means. The most commonly mentioned examples of growth hacks include Airbnb’s user acquisition using Craigslist postings or Dropbox’s viral user acquisition using incentives for sharing an account. Growth marketing consists of systematic techniques and principles that you can apply across multiple situations and products. Unlike the customer acquisition focused techniques of growth hacking, growth marketing consists of driving customer engagement with the product.

Growth Marketing Myths

(busting common beliefs)

Growth Marketing Myth #1

Growth marketing is a set of custom hacks that can't be replicated across companies or industries.

Reality

Growth marketing consists of a set of scalable methods that can be applied in a systematic way across multiple companies and industries.

Growth Marketing Myth #2

Growth marketing is primarily about customer acquisition

Reality

Growth marketing is about extending the boundaries of products into marketing channels. While growth marketers can certainly impact customer acquisition, the channels most amenable to the growth approach are typically “owned” customer engagement channels like email & mobile push notifications, as well as some paid marketing channels like Display and Facebook remarketing.

Growth Marketing Myth #3

Growth marketing is only for some industries like gaming and social networking

Reality

Growth marketing is relevant for nearly every industry that has a digital presence, and a large amount of digital customer engagement.

Customer Engagement *and the* Growth Marketer *(tapping into consumer behavior)*

A close-up photograph of a young man with short brown hair and a light beard. He is wearing a blue textured jacket over a dark turtleneck sweater. He is looking down at a black smartphone held in his right hand. A brown leather strap, likely from a bag, is visible across his chest. The background is blurred, suggesting an indoor office environment.

“Newsletters are stupid...
Focus on notifications
and triggers based
emails, SMS, and Push
Notifications.”

– Alex Shultz, Facebook’s VP of Growth [4]

“Everyone focuses towards doing marketing emails that are just spam in my opinion. Newsletters are stupid. Don’t do newsletters because you’ll send the same newsletter to everyone on your site. Someone who signed up to your site yesterday versus someone who’s been using your product for three years - do they need the same message? No.

The most effective email you can do is notifications. So what are you sending? What should you be notifying people of? This is a great place where we’re in the wrong mindset. As a Facebook user, I don’t want Facebook to email me about every ‘like’ I receive, because I receive a lot of them since I have a lot of Facebook friends. But as a new Facebook user, that first ‘like’ you receive is a magic moment. Turning on notifications throughout all of our channels, increased on our emails, SMS, and Push Notifications, but we only turned it on for low-engaged users who weren’t coming back to the site, so it wouldn’t be spamming for them.... Focus on notifications and triggered based emails, SMS, and Push Notifications.”

Getting Programmatic with Engagement

The examples of growth marketing make it clear that there are 3 guiding principles for growth marketing:



Triggered based on customer actions, not based on marketing calendar



Content selected based on customer interactions, not based on merchandiser preferences



Cross-channel strategy centered around customers, not channel-focused

Together, these principles ensure true 1:1 marketing, with no 2 users receiving the same message at the same time. While conventional marketers would use batch and blast messages, targeting segments of customers with the same message at the same time, growth marketers rely entirely on 1:1 marketing, since they are highlighting relevant aspects of the product to their customers.



TRIGGER BASED
EMAIL MARKETING
CAMPAIGNS CAN
GENERATE

4X

MORE REVENUE

&

18X

GREATER PROFITS

Forrester Research

The need for a
customer-centric,
behavior-based
marketing approach

“Marketers that do this right (less than 20% of marketing organizations today) will see their marketing messages receive, at minimum, five times the response rate of non-targeted push messages.”

Triggers and Recommendations

Do triggers and recommendations REALLY work? Are they really worth the effort? Why not simply continue to use traditional forms of marketing?



Blueshift has undertaken the largest study to date of the efficacy of the ideas mentioned in this whitepaper. Based on our [2016 benchmark report](#) that analyzed 2 billion emails & push notifications, we found that the conversion rates of growth marketing triggers with behavior-based recommendations perform significantly better than traditional batch & blast forms of customer engagement.

EMAILS

624%

HIGHER CONVERSIONS

Triggered emails drive 624% higher conversion responses for the same number of sends as compared to batch & blast emails.

HIGHER CLICK RATES

381%

from triggered emails sent with behavior-based triggered recommendations.

HIGHER POST-CLICK CONVERSION RATE

180%

from triggered emails sent with behavior-based triggered recommendations.

PUSH

2770%

HIGHER CONVERSIONS

Trigger mobile push notifications drive 2770% higher conversion responses for the same number of sends as compared to batch & blast mobile push notifications.

HIGHER CLICK RATES

726%

from triggered push notifications sent with behavior-based triggered recommendations.

HIGHER POST-CLICK CONVERSION RATE

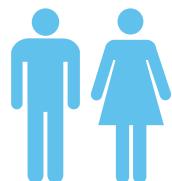
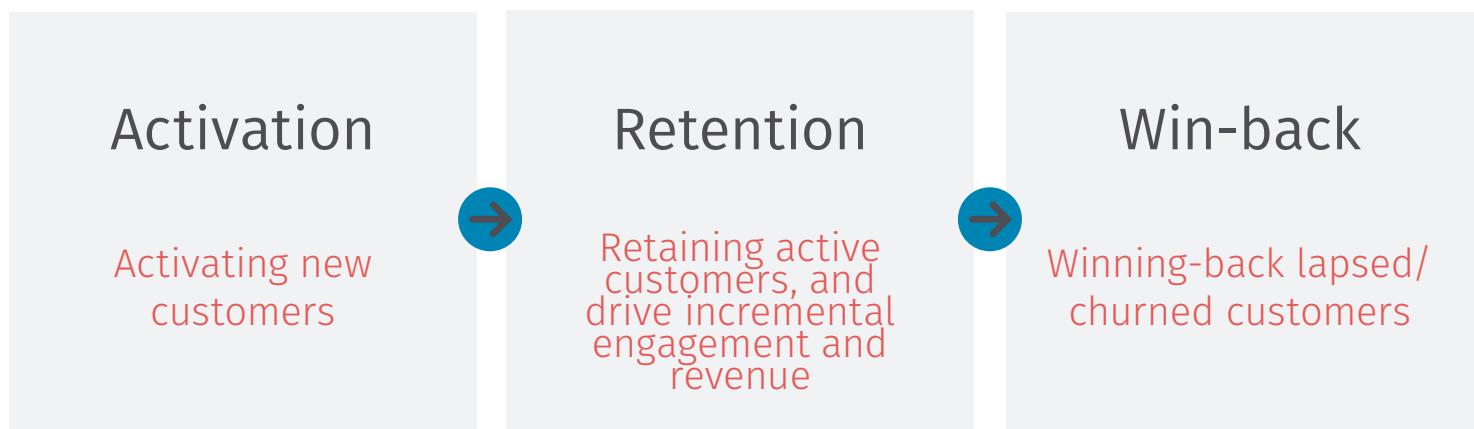
420%

from triggered push notifications sent with behavior-based triggered recommendations.

Customer Lifecycle Stages & Engagement

(keeping users coming back)

The keys to growth rely upon understanding the customer's lifecycle stage and prompting actions that would continue to keep the customer active. A growth marketer can focus on the following forms of customer engagement:



Let's look at these in more detail to understand how growth marketers approach these stages of lifecycle marketing to drive Customer Engagement.

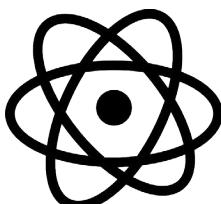


User Activation

Activation is a stage reached when a user completes an action that's indicative of getting value out of a product.

What constitutes activation might be different for different services; e.g. a social app like Twitter might consider a user activated when they follow a certain number of other users within a given time-period; an e-commerce company might consider a user to be activated when they make their first purchase, or on a rolling basis, consider someone to be active if they have made a purchase in the last 6 months.

Activation relates to the notion of the first moment when the user has fully experienced the product, and derived value from it. It's important to get more users to this stage faster, since users who don't get activated quickly might never return since they didn't experience the value of the product in a reasonable timeframe.



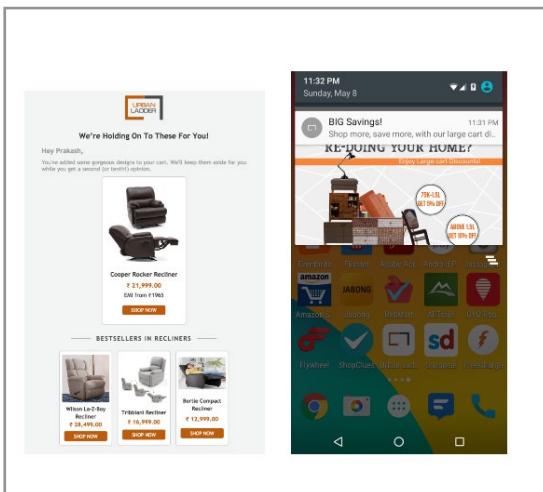
The more scientifically minded marketer will relate to the notion of “activation energy” from Chemistry: in a chemical reaction, it’s the minimum quantity of energy that the reacting species must possess in order to undergo a specified reaction. Similarly, **users are activated when they derive more than a certain minimum quantity of value from the product**. Some businesses inherently have a higher activation energy, e.g. services that sell high ticket items.

Clearly, the core product experience is key to higher activation rates, but growth marketers can help increase activation rates by extending the experience into marketing channels. Here are two key ways in which growth marketers drive activation:



Welcome series:

A welcome series of emails or notifications is used by nearly every website or app, and can be a great tool to activate more and more users. Growth marketers can make welcome series even more effective by including the elements of product or merchandising in their welcome emails & notifications.



Abandoner re-targeting:

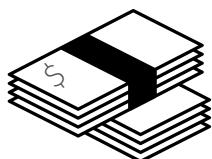
Nudging customers along the path to activation with targeted reminders can be very effective. Specifically, for e-commerce & subscription businesses, this can also take the form of re-targeting the user with the piece of product or content they engaged with (e.g. the product the user browsed, or the ones they added to cart).

User Retention

User retention is about continuing to engage activated customers so that they stay active.

This area provides a growth marketer a lot of opportunity to deliver targeted content in the form of reminders & recommendations to reduce user churn. Selling to customers with whom you already have a relationship is a more effective way of growing revenue because companies aren't stuck in the multiple "pre-acquisition" stages involving attracting, educating, convincing, and converting potential customers.

Retention is a more sustainable business model key to sustainable growth. Organizations that shift their focus to customer retention find it to be a more efficient process because they are marketing to customers who already have expressed an interest in the products and are engaged with the brand, making it easier to capitalize on their experiences with the company. In studies by Bain & Company, increasing customer retention by 5% can result in an increase in profits of 25% – 95%, and the likelihood of converting an existing customer into a repeat customer is 60% – 70%. To put that into perspective, the probability of converting a new lead is 5% – 20%, at best.



95%

A 5% increase in customer retention can result in a **25-95% increase in profits.**

Retention, more than any other stage, is vital to the long-term health of an organization. Growth marketers impact retention by building out delightful, relevant, personalized customer experiences through all of their marketing channels on a 1:1 level using powerful **reminders and recommendations**.

Types of Reminders:

Status or Level in the Product: incomplete activity related to their account (e.g. “complete your profile”),

Weekly Activity Digests: Regular personalized digests are a great way to keep active users engaged.

Similar ideas would apply in other industries. For instance, retailers could send a weekly digest of new & trending items in customers’ chosen categories.

Abandoner Re-Targeting: See the previous section on activation. Abandoner re-targeting can also be a great tool for ongoing engagement beyond the initial activation.

For instance, this personalized newsletter from Flipboard is an example of engaging active customers with weekly digests tailored to their preferences:

The screenshot shows a personalized newsletter from Flipboard titled "YourFlipDigest" with the subtitle "Stories from your Flipboard". It features a large image of Kevin Durant in a Golden State Warriors jersey. Below the image, the text reads "Durant donates \$57K to OKC school for homeless children". At the bottom, there is a smaller image of an arena and the text "Cleveland Cavaliers announce plans for \$140 million renovation of arena".

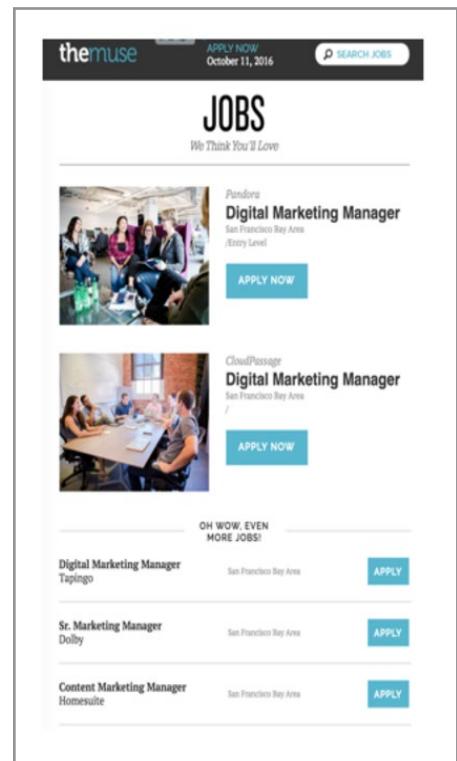
Types of Recommendations:

Recommendations based on the customer's Interaction Graph: Earlier in this whitepaper, we mentioned Twitter's email notifications with suggestions on who to follow. That's a great example of using recommendations that are inferred based on the graph created by users and others users. The same idea can be used by e-commerce companies and media publishers, by leveraging a graph of people & products or people & content.

Recommendations based on affinity:

Retail/E-commerce & media companies have large catalogs of products or content. By tracking user interaction with these different sections of the catalog, you can learn user preferences/affinities across categories, brands, authors, artists, price-points and more. Growth marketers use these affinities to tailor marketing messages to every user, on every channel. In the process they end up driving 3-10X higher response rates. The key to detecting user affinities is to not only look at the individual user's behavior, but also to normalize the behavior relative to other users.

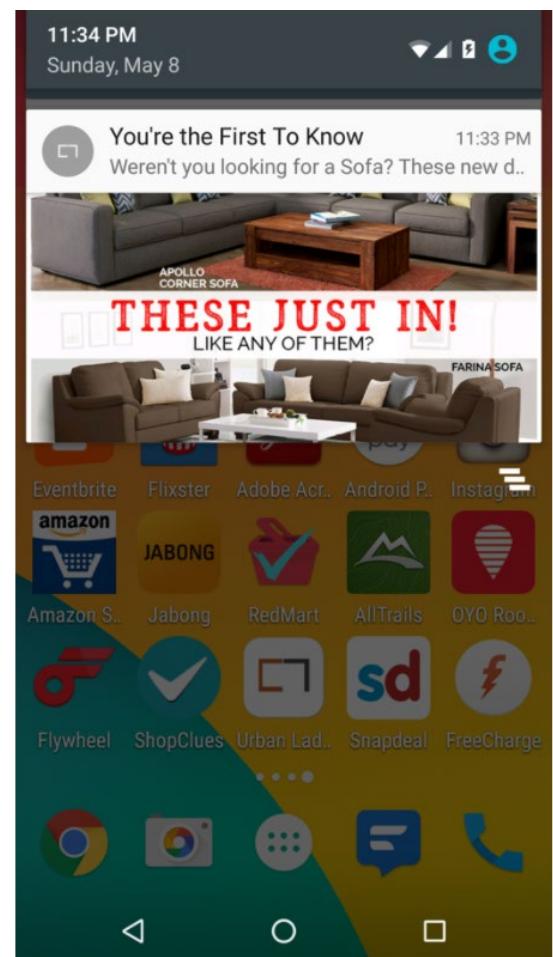
For instance, here is an example of 1:1 content recommendations in an email sent by a Blueshift customer:



Types of Recommendations (cont'd):

Recommendations based on changes/updates in the catalog or app: Changes in your catalog of products or content, e.g. new arrivals in relevant categories, price drops on items that the user engaged with, or back-in-stock notifications, are very important to keep customers engaged with the website and app. These triggers are especially good for mobile push notifications, since they are “newsworthy”.

Here's an example of a catalog update message sent as a rich mobile push notification.. Notice the “Weren't you looking for a sofa” message. All messages MUST be personalized!



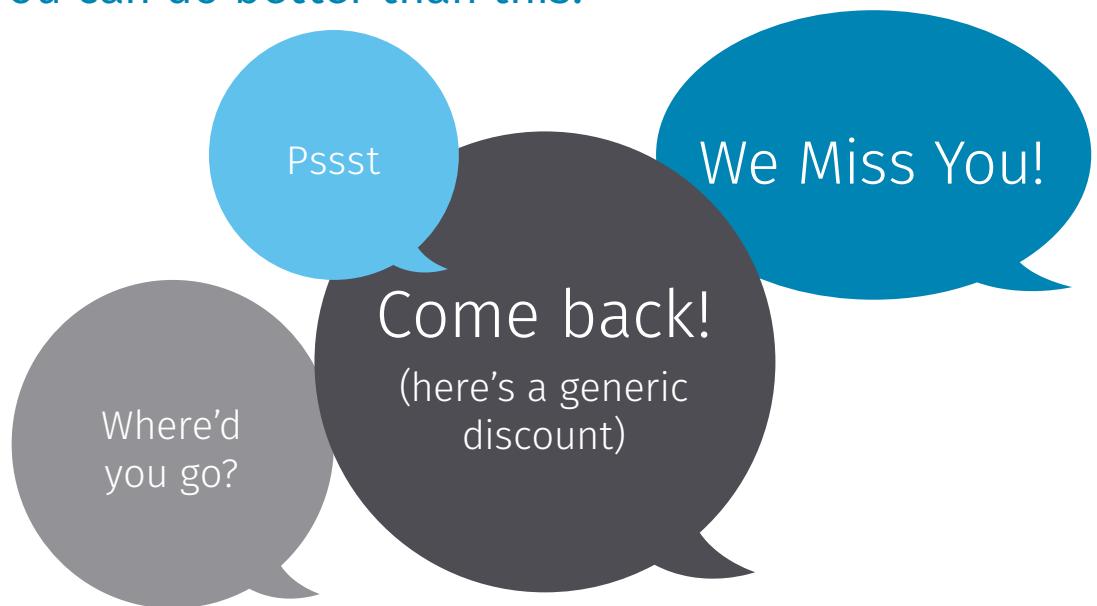
Win-back

Win-back campaigns involve the re-activation of churned or “about-to-churn” customers.

Users who were once active, but have since lapsed, can be won-back into becoming active customers. This is one of the hardest ways to gain active users, since these users potentially lapsed due to the product losing some relevance for them. No organization likes their users to churn, however, churn is a natural part of every business. It is the growth marketer’s duty to build strategies and campaigns that will bring these lost users back into the fold.

In traditional marketing campaigns which lack sufficient real-time data and insight, examples of win-back messages include messages like “We miss you” and “Psst! Come Back for 25% Off Your Entire Order.”

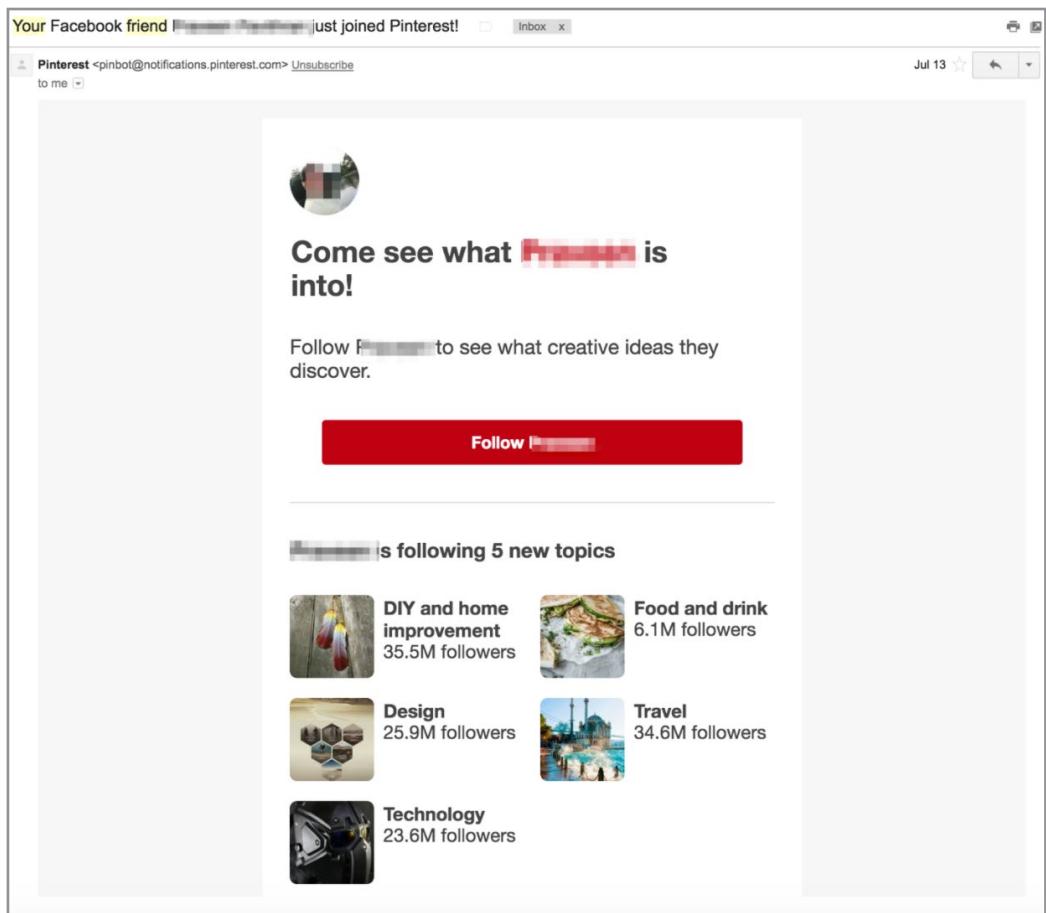
You can do better than this!



Doing the Win-Back Right:

Growth marketers know to go beyond such generic messages, and leverage the context of the user to bring them back.

For example, this email from Pinterest includes a very effective personalized callout, and doesn't look anything like a classic winback email at first glance:



As this Pinterest example shows, win-back is a great lifecycle stage for growth marketers to think creatively about re-engaging with customers.

Measuring Customer Engagement Right

(the metrics that matter)

Metrics by Lifecycle Stage

Growth marketers are very numbers oriented. Here are some key metrics measured by growth marketers at different stages in the customer lifecycle:

Activation

1-& 7-day activation rates:

This metric gives a quick leading indication of how activation rates from a channel are trending. 1 & 7-day activation rates, coupled with simple data science models, can help forecast long term activation from the given cohort of users, and can be used to quickly estimate time-to-payback.

Time to payback by channel:

The amount of time it takes to recoup the cost of customer acquisition (CAC), through profits from customers. This is a measure not only of the efficacy of activation, but also of retention & monetization efforts.

Abandonment rate:

The percentage of customers who fail to complete a “conversion” event inside a single session.

Abandoner retargeting conversion rate:

The percentage of abandoners who are successfully converted based on retargeting efforts across multiple channels. Typically measured within a well-defined window of time, like 7 or 30 days.

Retention

Churn rate:

The annual percentage rate at which customers stop being active.

Stickiness:

Typically measured as the ratio of DAU/MAU, this measure is most used in categories like gaming that truly depend on daily & frequent engagement. Stickiness is a good indicator of whether customers are returning frequently.

Win-back

Re-activation rate:

The percentage of previously lapsed customers who become active again within a given time period.

All of these metrics can be significantly impacted by improving the conversion rates of the customer engagement communications.

Industry Deep Dives

(making it all actionable)

Industry Deep Dive Retail and Ecommerce

The Retail & E-commerce industry offers several opportunities for marketers to leverage a large catalog of merchandise to drive personalized 1:1 engagement. Amazon is the company that best exemplifies the growth mindset in an e-commerce company.



Here are top 7 programs growth marketers at companies like Amazon launch to drive higher customer engagement:

	What	Who	When
Abandoned-browse recommendations using Collaborative Filtering	Recommend content that is similar to what other users liked	Users who viewed a few products recently	1 day after the user viewed products
Post purchase recommendations using Collaborative Filtering	Recommendations based on items purchased	Users who recently made a purchase	1-3 days after the shipment is delivered
Category Affinity	Recommend trending content from the categories preferred by the user	Users who have shown a strong browsing & buying preference for a few categories	Recurring weekly
New & trending Content from Relevant Categories	Items that have been newly added, or are converting the best recently, in categories that the user is interested in	All users	Recurring weekly emails, as well as new subscriber welcome emails
Re-targeting	Items that the user recently saw or added to cart or searched for. You could also add recommendations of best converting items from the same category	Users who searched or added to cart recently but did not complete their purchase	1-3 days after the abandoned action
Replenishment reminders	For items that get re-purchased a lot (e.g staples and grocery), remind users to “buy it again”	Users who have purchased items that are often repurchased	Based on purchase frequency analysis
Content update alerts	Alerts for changes in price or availability of items favorite by users: price drops, “back in stock”, “last few left”	Users who have added items to wish-list, or subscribed to out-of-stock alerts	As content updates happen

Industry Deep Dive Media and Publishing

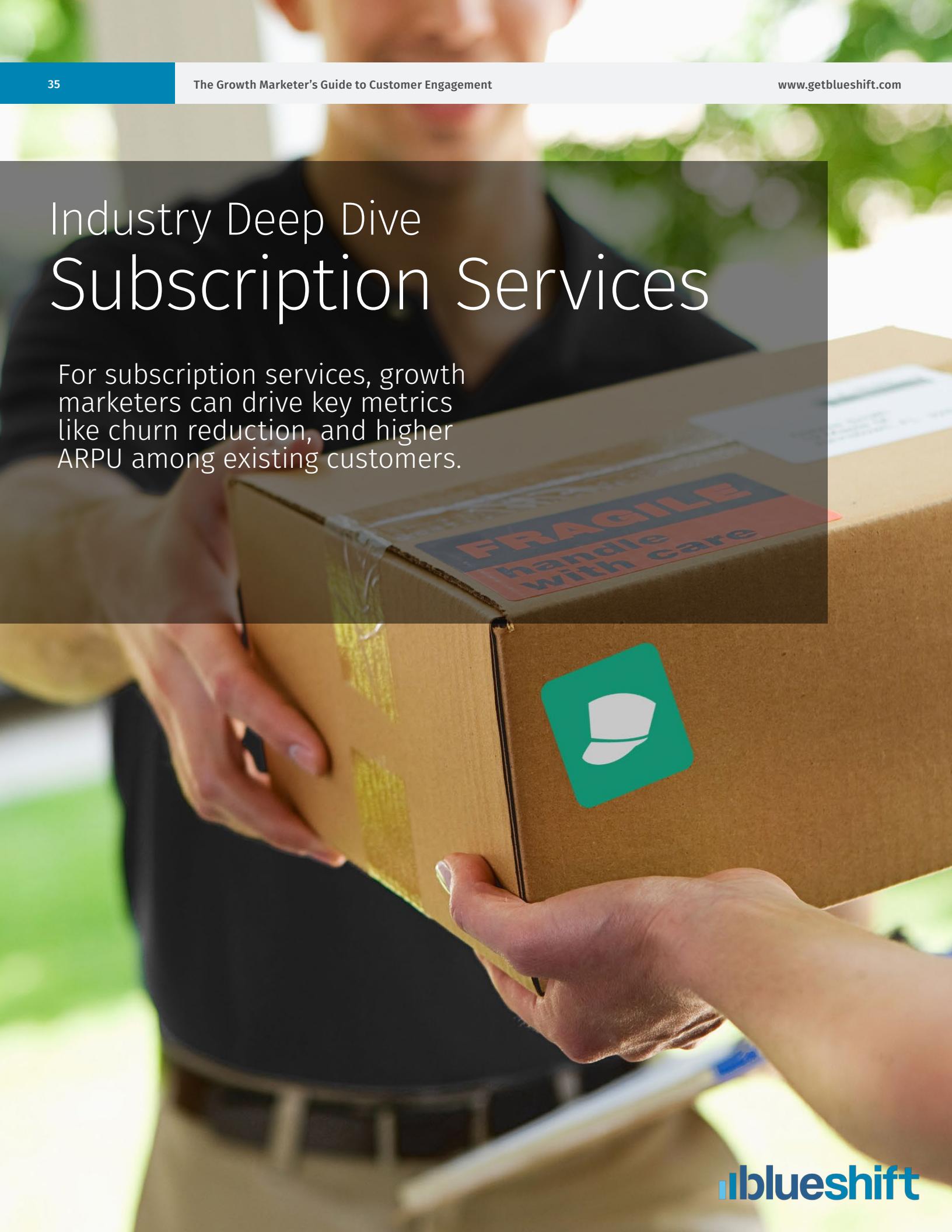
The Media and Publishing industry offers the growth marketer lots of opportunities for 1:1 content personalization. Here are the top programs growth marketers in the Media & Publishing industries use to drive higher customer engagement.

Here are 5 personalized emails & notifications programs growth marketers at media and publishing companies launch to drive higher customer engagement:

	What	Who	When
Personalized weekly digest	Recommend the best content of the week based on a user's browsing history & attributes like location	All active users	Weekly
Developing story alerts	For news publications, updates to stories that users have previously expressed an interest	Users who have expressed an interest in a story by browsing and searching	Within 15 minutes of new updates
Category Affinity	Recommend trending content from the categories preferred by the user	Users who have shown a strong browsing & buying preference for a few categories	Recurring weekly
Subscription up-sell	Convert freemium users to paid subscribers with relevant offers	High purchase intent users, based on predictive scores	1,7 and 30 day after customer's behavior indicates that they have a high intent
Trending content	Recommend content that's trending now in terms of views	Highly active users	As new content becomes trending or newsworthy

Industry Deep Dive Subscription Services

For subscription services, growth marketers can drive key metrics like churn reduction, and higher ARPU among existing customers.



Here are 4 personalized emails & notifications programs growth marketers at subscription service companies launch to reduce churn:

	What	Who	When
Churn Intervention	Personalized offers or incentives to continue the subscription	High churn score based on behavior, AI driven scoring	1, 7, 30 days after a customer is detected to be a churn risk.
Subscription upsell	Offer incentives to customers to switch to the next subscription tier, if they are highly active in the current tier	High upsell propensity based on behavior, AI driven scoring	1, 7 & 30 days after customer is detected to have a high upsell propensity
Abandoned cart	Recommend the abandoned SKU	Prospects who have not completed a purchase	1, 3 and 7 days after abandonment
Winback	Personalized offers based on uplift modeling	Churned customers	1, 2, 3 months after churn

Industry Deep Dive Digital Travel

Companies like Priceline and Airbnb offer great examples of personalized engagement related to the user's interactions with the product.

Here are 4 personalized emails & notifications programs growth marketers at digital travel companies launch to reduce churn:

	What	Who	When
Abandoned search	Recommend fares based on recent searches, using the dates and location from the search query	Recent searchers	1,3 & 7 days after the search.
Trending weekend getaway deals	Weekend getaway deals personalized to the location of the user	All active customers	Recurring weekly or monthly
Flight promotions	Recommend airline deals offered from nearby airports, based on the location of the user	All active customers	Recurring weekly or monthly
Add a hotel/car	Personalized offers to add a hotel or car if a customer has booked a flight, based on the location and dates from the flight booking	Customers who recently booked a flight	Immediate, 1 and 3 days after booking a flight

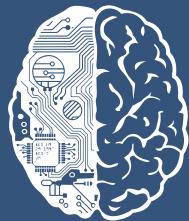
The Role of AI in Customer Engagement

(making machines more human)

How Does AI Help The Growth Marketer?

Throughout this whitepaper, you have seen a couple of themes playing out repeatedly:

- The right content personalized for each user, in the form of recommendations
- Timing the content based on each user's behavior
- Selecting the right channel to deliver the communication



**KEEP
CALM
AND
A.I.
ON**

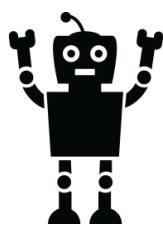
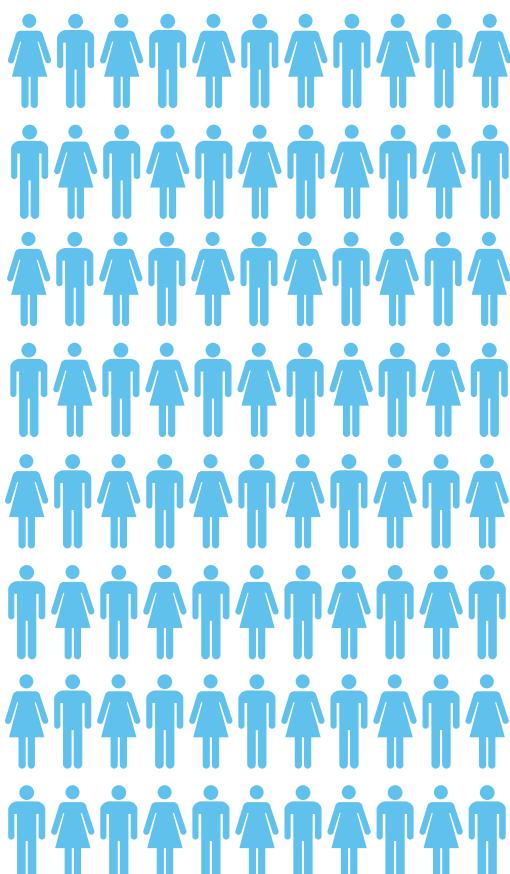
Each of these requires processing large amounts of data to understand customer preferences at a 1:1 level. That's where Artificial Intelligence comes in.

A.I systems process large streams of data in real time and develop models that understand customer intent and preferences.

For instance, machines can score users on their likelihood to purchase in the near term or to churn; they can understand customer propensity towards various categories, balance content freshness with popularity, and recommend the next best content or product for every customer. They can also interpret the data to understand the optimal time and channel to engage each customer.

Artificial Intelligence Use Cases

Here are some of the top use cases of A.I in the realm of Customer Engagement:



User intent predictions: By modeling user actions on your website or app, you can predict behaviors and attributes that are correlated with a near term actions, like purchase or churn. For instance, let's take the example of an e-commerce website with a 5% session conversion rate – i.e., 95% of all sessions are abandoned. In this large number of abandoned sessions, typically there are some from serious likely buyers, and the rest are just users who are simply browsing your site. Using a predictive engine, you can build a model that separates the ~25% likely buyers from the rest. These high intent users are typically more than 2X likely to respond to emails compared to others, and yield 7-12X ROI from paid advertising like display retargeting.

User affinity predictions: Unlike user intent (which is near term), user affinity models give us an idea of the user's persona & lifetime value: the categories & brands they have a preference for, whether their attributes look similar to known high value customers etc

Artificial Intelligence Use Cases (Cont'd)

Product & Content recommendations: Once we know the right set of users to target (e.g. high value users with high purchase intent), we also need to understand the right content or product selection for each user. Once again, using techniques like collaborative filtering and unsupervised clustering, a predictive engine can find the right set of products for each user.

Personalized promotions & offers: Another piece of personalized content for users is around promotions or offers. Since promotions directly impact the bottom line, we need to not only model who will be receptive to the promotions, but also if we can truly drive a change in user's behavior by offering the promotion. The former is known as affinity modeling or response modeling, and the latter set is known as uplift modeling. In the uplift models, we are trying to find users who would not have transacted with us without an offer, and among these users finding the ones who have high likelihood of responding to our offer.

Creative and model optimization: Once we have a set of always on running campaigns it's imperative to set aside a budget for exploring new ways to auto optimize creative or data science models using challenger and champion paradigm. Traditional A/B testing models offer a quick path to finding initial set of champions among creatives and data science models. And one can go beyond that by using bayesian optimization algorithms that test new set of challengers against current winners by setting aside some budget for them. Auto optimization platforms can do this every time a new variant is added to the system by running these tests automatically thus yielding optimal results closer to the efficient frontier.

Building a Growth Marketing Organization

(setting up for success)

Making the Growth Marketing Team

Growth marketers are very numbers oriented. Here are some key metrics measured by growth marketers at different stages in the customer lifecycle:

Product Management Knowhow

Understanding the key elements of the product experience, the essential product metrics, and a basic understanding of technologies like tag management & APIs to integrate the product experience into marketing channels.

Familiarity with Data Science

Appreciation for basic concepts around data science & statistics to ensure that recommendations & testing are based on sound principles

Development of Creatives

Designing templates for emails, push notifications etc., and coding the templates with the right variables.

Expertise in Marketing Channels

Knowledge of the mechanics and metrics for each of the marketing channels

How to Structure the Team

One of the most common questions from CXOs around growth is how to structure Growth Marketing organizationally.

CXOs have to build an organization that can together bring these cross-functional skill sets to the table. Should it report to Marketing or to Product? Different businesses may have varying requirements. Depending on the stage of the business, and maturity in different parts of the organization, companies may organize their teams differently.

Here are some of the most popular options in organizing your team:



Marketing Oriented Growth Team

Organizations that have significant expertise and infrastructure for multiple marketing channels often choose to staff the growth team under the digital marketing organization. The strength of this model is the strong alignment with marketing & brand messages, but the challenges are around staffing the team with the right data science and product skills.



Product Oriented Growth Team

Startups and product centric companies often choose to build a growth team within their product (or merchandising) teams. The biggest advantage in this model is the strong product knowledge delivering a personalized experience. The key thing to watch out for in this setup is to ensure that the team is delivering a great brand experience and ingesting relevant creative assets.



Integrated Growth Team

Reporting to the CEO – e.g. Facebook. Led by a versatile leader who has both the product, data and marketing skills, this team brings together all the various growth skills into one integrated team. This is potentially the strongest model for driving growth, provided you can find that rare leader who can manage such a multi-function integrated team.



Distributed Growth Team

In this structure, the growth team consists of members from different functional teams like data science, marketing and product, who come together around projects. This configuration is not a good long-term option, but might help you get off the ground with a few early wins in growth marketing.



Growth Marketing Self-Diagnosis

	A We don't do this today	B We do some of it (not automated)	C We are best in class	D Not relevant to our business	
Capturing customers behavior					SCORE
Automated lifecycle emails & push notifications					SCORE
Abandonment retargeting					SCORE
1:1 content/product recommendations					SCORE
Revenue/conversion attribution for growth programs					SCORE
Using deep links in mobile push notifications					SCORE
Behavior based user segmentation					SCORE
Affinity based recommendations					SCORE
Cross-channel campaign synchronization					SCORE
Building an in-house growth marketing team					SCORE

For each question score yourself:

- 1 if you answered A
- +1 if you answered B
- +4 if you answered C
- 0 if you answered D

Diagnostic Results (based on the total score:)

- Less than 10: Growth marketing beginner. You and your organization still rely primarily on traditional marketing, but you are beginning on your journey towards growth marketing.
- 10-30: You are a growth marketing pro. You and your organization have embraced growth marketing whole-heartedly, and have started thinking about best-in-class growth marketing.
- 30-40: Congratulations, you are a growth marketing ninja!

Growth Marketing Glossary

(the lingo explained)

Growth Marketing Glossary

1/7 day activation rate	Conversion rate of newly acquired customers to activated customers within 1 or 7 days. Among other things, this metric is used for estimating & forecasting months-to-payback.
AARRR	AARRR is a metric for startups suggested by Dave McClure. He offers to define five users' states: acquisition, activation, retention, referral, revenue
Activation	Activation is a stage reached when a user completes an action that's indicative of getting value out of a product. What constitutes activation might be different for different services; e.g. a social app like Twitter might consider a user activated when they follow a certain number of other users within a given time-period; an e-commerce company might consider a user to be activated when they make their first purchase, or on a rolling basis, consider someone to be active if they have made a purchase in the last 6 months.
Active Customer	A customer who has been activated, and has not churned.
ARPU/ARPC	(Average Revenue per user/customer): Most commonly used by companies offering subscription services, this is a metric for the revenue generated per user/customer per unit of time, typically month or year.
Attribution	A mechanism of assigning credit for a down-the-funnel conversion event, to one of the potentially many starting points of the funnel. For instance, consider this scenario for a customer of an e-commerce website <ol style="list-style-type: none">1. On day 1, the customer clicks on a link in an email and browses the website. The customer doesn't purchase anything in this session2. On day 7, the customer clicks on a re-targeting advertisement and buys the product Different attribution mechanisms will assign credit to channels in different ways. A "last-click" based model would assign all the credit to the re-targeting ad, whereas a "first click" model would give credit to the email. Attribution mechanisms can be hybrids of these methods, and can also include time windows, e.g. a 3-day first click attribution would still give credit to the re-targeting ad in the above scenario.
CAC	(Customer acquisition cost): The average spend on marketing, media or referral to acquire each new customer.
Churn	An event when a customer can no longer be considered active. What constitutes churn might be different for different services. For example, a social app might consider a customer to be churned if they have not logged in within the last X days, whereas an e-commerce company may consider a customer to be churned if they have not purchased anything in a certain time window.

Churn rate	The annual percentage rate at which customers stop using, or subscribing to, a service.
DAU	(Daily active users): The number of unique users on a given day, or a daily average over a specific time period.
Lifecycle marketing	Automated marketing based on the customer's lifecycle stage (e.g. automated welcome email series for new subscribers, and VIP campaigns for high value activated customers)
LTV/CLV	(Lifetime Value/Customer lifetime value): Net profit per customer over the entire lifetime of a customer.
MAU	The number of unique users in a given month, or a monthly average over a specific time period.
Retention	Customer retention is the set of activities undertaken to keep active customers engaged, and prevent them from churning or lapsing.
Time to payback	The amount of time it takes for a service to recoup the cost of customer acquisition (CAC), through profits from customers.
Stickiness	(The ratio of DAU/MAU): For categories like gaming that truly depend on daily & frequent engagement, stickiness is a good indicator of whether customers are returning frequently.
Viral Coefficient (K)	Average number of invitations sent by each existing user times the conversion rate of invitation to new user.



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About Blueshift

San Francisco based Blueshift is the leader in Programmatic CRM. Using the power of real-time segmentation and dynamic content personalization, Blueshift enables marketers to automate individualized messages across multiple channels including email, push notifications, Facebook & SMS. Blueshift was founded by serial entrepreneurs with backgrounds at successful companies including Kosmix (now @WalmartLabs) and Mertado (now Groupon Goods). The company is funded by prominent venture capital and angel investors, including Storm Venture Partners, Luma Capital Partners and Nexus Venture Partners.

For more information, visit www.getblueshift.com.