

Growth Hacking 101

BY [WEXLER CONSULTING GROUP](#) · JULY 13, 2017



In Manhattan's East Village, there is a local joint called Crif Dogs that serves a large variety of both traditional and original hot dogs. Within the joint is Please Don't Tell (PDT), a speakeasy-style lounge under the same ownership.

But the lounge isn't accessible by any conventional means. It's only accessible through an antique phone booth in a corner of Crif Dogs. Pick up the phone and you're speaking with the PDT hostess. If you have a reservation or if there's seating available, the back of the booth opens and suddenly you're stepping from hot dog joint into the smooth, classy atmosphere of a speakeasy lounge.

There's no advertising for PDT—in fact, their one-page [website](#) provides no information except a phone number to call for reservations. Its secretive

nature reminiscent of the days of Prohibition entices the word-of-mouth method of marketing, making everyone who has ever picked up that phone—customers, food critics, journalists—a walking billboard for PDT.

This is just one simple, ongoing success story of growth hacking.

Growth hacking is an idea—a mindset—set on both conventional and unconventional marketing experiments towards the growth of a business.

It's marketing tactics meeting product development: a creative process driven by data and technology that builds marketing into the product itself, with very few rules to go by. If it's testable, trackable, and scalable, than sky's the limit to how you approach your product's presentation.

It is a different way of thinking that is taking the world by storm.

One of the early successful growth hacks took place in 1996 when entrepreneur Sabeer Bhatia had a vision: the first browser-based email service that was free. With his colleague Jack Smith, the two worked to raise \$300 thousand to launch Hotmail.

But despite sinking funds into marketing the product through billboards, TV and print ads, Hotmail was not seeing any growth. So Bhatia and the developers changed direction towards a different approach that didn't cost a dime.

At the bottom of each outgoing message, they tagged this simple plug: “P.S. I Love You. Get Your Free Email At Hotmail.com!”

Recipients of any of Hotmail messages would only have to click the link at the bottom of the email to begin setting up their own free account. As a result, Hotmail’s user base jumped to one million within six months.

Two years later, Bhatia and Smith sold Hotmail to Microsoft for \$400 million.

The way we pursue growth in business today is fundamentally different from how it used to be. Since the success of Hotmail and the quick development of tools on the Internet, entrepreneurs and businesses have ditched traditional marketing to choose their own path, driving startups from unknown status to multi-billion dollar industries.

Google built its Gmail service’s user base using a similar method as Hotmail. After developing the product, Google made Gmail “invitation only”, gradually increasing its number of invites allowed until Gmail became the most popular free email service in the world.

It didn’t end with Google, though: Twitter persuaded new and existing users to follow at least 10 people from their “Top People to Follow” feature, which caused their retention rate to spike significantly. AirBnB created an algorithm that cross-posted their properties onto Craigslist, while Instagram and SnapChat piggybacked their way to stardom by allowing their users to cross-post to other social media networks. LinkedIn and Waze incorporated a

ranking gamification into their products in order to retain consistent usage through competitive entertainment.

Note-taking application Evernote didn't even need an online platform to rise to the top. Founder Phil Libin wanted his team to focus on perfecting the app first, saying "People who are thinking about things other than making the best product, never make the best product."

Evernote found the spotlight by making its most loyal users mobile billboards. After hearing product reviews from users complaining their bosses were suspicious of them using laptops at meetings, the developers produced stickers for their users' laptops that read, "I'm not being rude. I'm taking notes with Evernote".

So take this note: traditional marketing is over, and the great mindset of growth hacking is here to stay, with new success stories rising every day. In a world that is constantly demanding for something new, entrepreneurs must become growth hackers, breaking the limiting shackles of marketing to adapt to this mindset and use every tool to their power. In doing so, the game completely changes.

Growth hackers are always seeking to find themselves at the beginning, developing a reset button within themselves that they ride constantly with each new opportunity.

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