

Andrew: This session is about how to get and keep users through growth hacking. A session that's led by Ryan Holiday. He is the founder of Brass Check Marketing and Media Strategist for notorious clients like Tucker Max and Dove [??].

He's also the author of let's bring up that webpage, there it is "Growth Hacker Marketing", the book that I'll be using as the basis for our conversation here today. I'll help facilitate. My name is Andrew Warner. I'm the founder of Mixergy, where proven founders, like Ryan, teach.

Ryan, welcome.

Ryan: Thanks for having me. It's good to be back.

Andrew: You were working at, here, let me bring this up. You were working at this company. I thought everything was going great at American Apparel. You guys were buying ads. You had money. You had reputation. What's the problem then that suddenly you had to adjust to become a growth hacker or be open to growth hacking?

Ryan: Yes, look. I thought I was the greatest thing in the world. I'm 24, 25 years old. I'm the Director of Marketing at a publicly trading company, one of the coolest fashion brands in the world. One day I show up at my office and I sit down and I read this article. The article is called, Andrew Chan is a great asset, he writes for Silicon Valley. The article was 'Growth Hackers are the new VPs of marketing' which sort of stopped me cold because I was the VP of Marketing.

So as I'm reading this article, I'm looking at the names that he mentions as sort of Zynga, Air B&B, DropBox, Facebook, Twitter. These companies that didn't exist 5 years ago, didn't exist 7 years ago and hence now they have billion dollar valuations. And not just billion dollar valuations [??] like billion dollar valuations and user bases in the billions of dollars. And who was the marketer behind these companies? It wasn't Wyman Kennedy, it wasn't Don Draper, David Ogilvie, right? It was nobody you've heard of. And the article stunned me because he was totally right and I never thought about this.

These billion dollar brands that were created right in front of us, supposedly by people in my profession it turn out were made by a bunch of people you never heard of. Noah Kagan, Andrew Chan, Aaron Jen, Jesse Farmer. These sort of geeks who had totally reinvented marketing from the outside and reinvented it theoretically but reinvented and you could not argue with the results of their success.

Andrew: I think a lot of people in the tech community, the majority, would say, "You had it all. You were at American Apparel, lots of money, lots of reputation, all that." A handful of people in the tech space are saying no, no. There's something that these guys don't know and that's what they're implementing. Instead of waiting for yourself to get run over by these people, you said I'm going to be curious and that's what we're going to be talking about here today, in this session right. And I pulled out a few ideas from your book and you've actually used these ideas.

Before we get into the details of it, just give me a top line view of what you're able to do for one of your clients with this book, using the mindset that you're about to introduce us to. What were you able to do for this guy, Tim Ferriss?

Ryan: Yes. So I'm writing the book, I'm interviewing all these growth hackers and then one of my clients, who is Tim Ferris, asked me to help with his most recent book. And for people who don't know this, the book published by Amazon and as a result sort of last minute writing for the book came out, every retailer in the country decided that they were going to refuse to carry it. Wal-Mart, Cosco, Barnes & Noble, Books a Million, every independent bookstore in the country. The most demanded book in the history is what we ended up calling it and we had to reinvent book marketing from scratch. Reinvent a book launch actually from scratch because all the old channels were gone.

Andrew: And how far did you get it? How many books were sold and how far off the list did you get?

Ryan: It debut in #1 on the New York Times [??], #1 on the best seller list specifically the Wall Street Journal Business list. Sold something like 250,000 in its first 6 months of release, 60,000 copies its first week. A monster best seller and not just in the book sales sense. People reached, brought into the sort of Tim Ferriss universe, astronomical numbers, all because of the tactics that I ended up learning studying these tech startups, and then asking myself the question, well, if you can growth-hack a startup, can you growth-hack a book? The answer is yes, and I think it means, if you can growth-hack a book, which is essentially an unchanged medium for thousands of years, you can growth-hack anything, whether it's a restaurant, or a clothing line, or whatever you happen to be trying to get people to try.

Andrew: Okay. So, in your book, you actually go through all these tactics, and the last section of the book is bringing it all together. But I would like us to start with that, because I want to see what you're able to do, and what can be done with this mindset and with the tools that we're about to teach, and then I want to get deep into every one of them, and frankly for the audience, this right here, this one, that's where we're going to spend I think, the bulk of our time, where we have a lot of examples, where I'm especially excited for people to pay attention. But the first thing they're going to wonder is, how did he do it, when he brought it all together? So talk to me about, tell me the story of what you were able to do with Tim Ferris.

Ryan: So, Tim is a total anomaly in terms of being an author, in that, you know, I think most authors, they write their book by going off into their writer cave, and then they come back with a book. And Tim has always been a data-driven, data-obsessed person. So, when he was editing this book, as we were throwing it together with very little time on the clock, I watched him ask his fans what they wanted in the book, and then drafting a book accordingly. I watched him build marketing angles into the product, rather than thinking, okay, the book is done and sent to the printers, now let's think about marketing. I watched him grab multiple editors, like friends reading the manuscript, and then cross-reference the passages that each one liked, to see, what are they responding to, what are they not responding to, what are their favorite sections? If they had to cut three sections,

what would it be?

I've been in this position myself. You send a book to a friend and you say, hey, is this any good? And then your feedback is there. I watched Tim treat it almost like a tech product. What are people clicking, what are they not clicking? I watched him test dozens of iterations of the back cover, based on what people were clicking and responding to, rather than handing the book to the publisher and expecting them to come up with a back cover, and then doing what we tend to do too often in marketing, which is just hope that it works, based on our gut instinct.

Andrew: And what about what you guys did with these people? What is this?

Ryan: When retail distribution is cut off as an option, you are screwed not because of the sales, but because of the discovery element. You know, millions of people go into bookstores around the country every week, and that's where they discover new books. And we were locked out of that. And so we sat down, Tim and I, and said okay, how can we get this book in front of people? What can we do? And anything is on the table. And I threw out BitTorrent, who if people don't know, is basically, for many years was sort of known as the main source of pirated material on the Internet, movies, music, books, any kind of protected content could be gotten for free [overtalk] - it's where you steal music, it's basically what people know it as.

Andrew: Yes. And this was your idea, by the way? This is you tossing out BitTorrent as an option?

Ryan: Yeah. A friend of mine is an author, he wrote a book called The Pirate's Dilemma, which is a great book, and he ended up from this book, becoming the director of marketing at BitTorrent, so he and I have been friends for a long time. And Tim was like, is there anyone I can meet who you think would help with this book, that might have a crazy out-of-the-box idea? And I said, you should talk to Matt Mason. And Matt was like, why don't we give a huge chunk of the book away on BitTorrent? I know you don't want to give chunks of your book away, but I promise you we'll put in front of almost 300 million people. And so we thought about it for one second, and said, that sounds amazing, let's do it. And we ended up putting together the package that you showed it was a 750 MB bundle of video, photos, deleted chapters, extra material, video files, just all sorts of amazing stuff.

Andrew: Did you guys have to pay BitTorrent for that?

Ryan: We were partners. So BitTorrent is trying to create this as a distribution business model, and we were the first author through the gate.

Andrew: And here's the kind of press that BitTorrent got from it, and the kind of things that you guys were able to do. There's the next web article, "Thanks to BitTorrent, The Four Hour Chef Goes from being boycotted by Barnes and Noble, to a bestseller." So that's how you were able to bring it all together.

Ryan: Yeah, so I think the bundle was downloaded something like two or three million times.

Andrew: Wow.

Ryan: It sent more than 250,000 people to the Amazon page, which is an insane click-through rate for anyone who's done any sort of tracking on the press and media that they get. And we think it was direct, not we think, we know it was directly responsible for moving tens of thousands of copies that first week and I have actually done it again since with another client who's a musician. But this was probably the single most effective promo that we did for the book, and it, it was free and it, what it did, ultimately, was it, to try a book is hard, right? You've got to buy, where do you get a book for free to check it out? Either a book store-

Andrew: A book store, they give me the first few chapters.

Ryan: Right. So by giving people this chunk of the book they were able to read some of the book and get engrossed in the universe and then pick it up so cheaply on Amazon.

Andrew: And do it even more, and because it's such a new thing, you get a lot of attention.

Ryan: Yep.

Andrew: I see how it developed. Alright. Let's take a look at the details and the way the person who's listening to us is going to be able to use this. First step you say in your book is, you say "Find product market fit." You say "Most marketers aren't used to the idea that what they do is adjust the product, they just adjust the marketing." You talked about how Tim Ferris did it by checking in with people along the way as he built it. What about what these guys did? These, this is a site from 2008, a screenshot, of Air B&B's home page. Where were they and how did they use this?

Ryan: So, a lot of people don't know that Air B&B started as essentially renting people's living rooms and crashing on an air mattress on their couch. It was a cheap idea thrown up by roommates who had some extra space in their apartment, and knew there was a big design conference, I believe, coming into town, like, a month from whenever they came up with the idea in 2008, and one of them was like "Hey, let's make our living room into a bed and breakfast."

Andrew: Yeah.

Ryan: "Well give them free breakfast. It'll be this weird thing." It's a silly idea that got, you know, a tiny bit of attention online, and got a couple users, and the founders said "Okay, we're onto something, but the idea is clearly not going to work like this," and then they continued to iterate it and change it and improve it until they got the Air B&B that we know today, that is, itself, an explosive idea.

You know, a person who makes \$200,000 a year is not going to sleep on an air mattress in some weirdo's living room. So what you're seeing there is their marketing is not what they're doing externally PR wise. Their marketing is refining and improving the product based on feedback. And the reason that doesn't happen too often is that most marketers don't actually work for the company that they're

marketing. You know, your marketing is something you outsource to an outside party or to a firm or to a specialist, and that's to say that those marketers aren't very talented, but the problem is you are handing them a finished product and saying "Here, get people to talk about this." Yeah, exactly.

Andrew: What about this? Aren't you, I'm looking at your site, let's bring up your site, aren't, isn't that what you do-

Ryan: No, actually.

Andrew: For your clients? You can't go in and start to change the clothes that American Apparel makes. You can't start to change the books that Robert Green writes, can you?

Ryan: Actually, that's exactly what I do. So, Robert Green, I started as his Research Assistant. I worked, I actually worked on the crafting of his last two books, thinking about what marketing can be built into your product to make it more successful as-

Andrew: Can you give me an example of what you did with Robert Green?

Ryan: Yeah, so his last book, *Mastery*, was about how masters developed their acumen, or their craft, and Robert wanted to interview living people, which I thought was an amazing idea. And what I did was refine that from a marketing standpoint, and say "Robert, if you're going to have, you know, 10 people in your book who are masters, let's pick masters who have audiences or platforms-

Andrew: I see.

Ryan: "Or compelling, interesting stories, that allow this book to be accessed by a different audience. I'll give you a great example. He decided to interview for his book Paul Graham, who happens to run Y Combinator, who controls a website called Hacker News that has millions of visitors every month.

Andrew: I see.

Ryan: Now, Paul Graham clearly fit the criteria of a master, but if you had to choose between a programming investment genius with zero fans and one with millions of fans, from a marketing standpoint it's pretty clear which one you should put in your book.

Andrew: I see. Okay. Going back to the AirB&B example.

Ryan: Yeah.

Andrew: It occurred to me after reading your book and looking at this old screenshot the basis of their business, much of the basis, is gone. It's no longer airbed. They don't offer breakfast. Here is the way that when they launched, early on, they were described. You and I looked at this before we started. With an actual air mattress, this is the way that TechCrunch explained...

Ryan: ...Right...

Andrew: ...what the product was. It changed so much that today this is the kind of place that they're trying to sell. Find a whole place to stay, not how to stay in someone's living room. So, that's what you want us to keep thinking of - not how to sell what we have, but how to change what we have so that it sells.

Ryan: Yeah. Exactly. Instagram is an amazing example of this, too. A lot of people don't know that it started as a geolocation sort of four square style check-in service called Burbn. It had a feature that let you take and edit photos. That feature was so overwhelmingly popular that the founders pivoted and zoomed in on that one feature and created the whole company around that feature. Not because they felt like it or their gut told them that was what they should do, but because that's what the users were flocking to.

I guess to back up for two seconds, it's don't invest in some enormous blockbuster launch. Imagine if AirB&B had launched with 20 million dollars supporting the airbed and breakfast model. They would be very reluctant to go back to the laboratory and retool the entire product around a different version of that idea because they just invested so heavily. But, by launching small, just doing this TechCrunch article, getting a few customers, and being small enough to pivot and change is to me a marketing opportunity as well as a product development opportunity.

Andrew: Alright. Let's go on to the big board.

Ryan: Sure.

Andrew: In the book you say that the second step is to find your growth hack. I want to talk about one example and then I know that there's going to be a problem with this, so the listeners or viewers, trust me. I know the problem you're going to have with this, but let me start off with this example. I know many problems you're going to have. But, the first one, let's just explain what is AirB&B, or what was AirB&B doing in this image.

Ryan: Yeah. AirB&B figured out a way. They didn't figure out, they engineered an end run around craigslist so that you could automatically syndicate your AirB&B listing as a sort of craigslist apartment house for rent listing...

Andrew: ...It would go from AirB&B to, I think, let me see. Here is an example that I found online. Like that, a little too big...

Ryan: ...Exactly. It created a super well designed, easy to use, free ad on craigslist for your particular unit, but also the service as a whole.

Andrew: I see. Okay. So, the idea here is that they created a way. Well, actually, what makes this a growth hack for you?

Ryan: What a growth hack is to me is finding some underexploited platform or opportunity and leveraging it to bring a rush of users into your service that

otherwise maybe wouldn't have been available to you if you were thinking of marketing only as advertising, public relations, and like sending out e-mails to your friends and family. Then, the growth hack is taking advantage of something that maybe other people haven't fully understood.

A very good example is PayPal building itself on the back of eBay. They see all these people interacting in this community. They design a product that exactly they need. Then, they get themselves essentially embedded on every eBay auction. That is doing millions of pages early on in the tech bubble, and essentially turning a platform or a business into a billboard, advertisement, or referral system for your product. Like, yeah, go ahead.

Andrew: This is what I wanted to get into. I know that the person listening says, I heard about AirB&B. That's a clever idea, I can't reproduce it.

Ryan: Right.

Andrew: So, let's talk about different approaches. One of them you just said. I'm going to write these down right now. One of them is piggyback, right? And you gave the example of PayPal piggybacking on eBay which is big. They enabled payments on eBay's system. What about Mailbox, the service that I use to get e-mail? What are they doing? Maybe we can come up with a broader understanding of it that other people can use. What did they do to launch?

Ryan: Mailbox came out with a great demo video that made their product look super exciting, like, hey, I want to try that. But, instead of letting you try it they made you sign up for a waiting list.

Andrew: Okay.

Ryan: And that waiting list was not just any waiting list. It was a waiting list where you were told how many people were in front of you in line and, more specifically, how many thousands or tens of thousands of people were in front of you in line. So, it became this sort of social movement where you're like, hey, I thought this service was cool, and then to find out that there's 250 thousand people in front of me in line tells me that I'm on to the next big thing. This sort of sign up invite only create an appearance of scarcity, or nothing draws a crowd like a crowd kind of mindset I think is a good example.

Andrew: Okay. So, what we have here is exclusivity.

Ryan: Yeah.

Andrew: And we have crowd, what would we call it, use a crowd to draw a crowd.

Ryan: Yeah, yeah. And on that a related one that I like. I think Reddit only came clean with it somewhat recently. But, as one of the founders was recounting the history of Reddit, which is now maybe the biggest social news site in the world, he admitted that they started the site by creating thousands of fake accounts which they would then use to interact with users who thought the site was way more

popular than it actually was. To me that's a great growth hack, because you're sort of faking it until you make it.

Andrew: You know what, first of all I love that fake accounts...

Ryan: ...Yeah...

Andrew: ...but instead of use a crowd to draw a crowd, that's a mouthful...

Ryan: ...Yeah...

Andrew: ...let's just call it social proof...

Ryan: ...Sure.

Andrew: Social proof, okay. What about Yelp and Myspace, what do they have in common in the way that they were getting people excited?

Ryan: Yelp is a funny story. Yelp just threw a series of parties in the cities that they were trying to make, and they created a real community out of nothing. You can do events, and you can do things at a very small scale. I think that's a good one. You know, Myspace is a great example where Myspace went to Friendster, and Tom has admitted this, he went to Friendster and he individually e-mailed all their big users and asked them to come over to Myspace and stole them. So, Tila Tequila, people don't know, was poached from Friendster by Myspace. The rest is history.

Andrew: What do we call that one? Let's call that...

Ryan: ...Influencers...

Andrew: ...Steal influencers?

Ryan: Yeah, I think that's great.

Andrew: Okay. And you also talked in your book about how, I guess it was about.me, uses influencers?

Ryan: Yeah, about.me was one of the few early startups to really exploit the idea of having celebrity sort of advisers and influencers on your board. It's like if Kevin Rose has 100 thousand Twitter followers and is a rich guy, maybe he's the guy to take some venture capital funding from rather than some other guy who has more money but zero Twitter followers. So, the day that about.me launched a dozen or so really influential Silicon Valley influencers all mentioned this service in the same day. It was sort of, hey, check out this new thing. It really blew up.

Andrew: I don't know how to exactly add this one to the list, so I'm actually just cross off that bullet point...

Ryan: ...Okay... Andrew: ...and just ask you. You also did something for one of your clients with Planned Parenthood. When I interviewed you on Mixergy you talked

about it. Can you say that story again?

Ryan: Yeah. I think media stunts are a great growth hack, too. You know, how can you engage in something with the exclusive purpose of getting a lot of press and media attention that sort of puts you on the map.

Andrew: Yeah.

Ryan: With one of my clients he had a line in his book where he said that he paid for so many abortions in his life that they should name a Planned Parenthood clinic after him. So, we tried to name a Planned Parenthood clinic after him. We ended up offering the money as a donation and getting rejected which itself became a media story. We were covered in essentially every major media outlet that you could think of. Publicity stunts, that's my specialty. I got my background in PR and marketing. So, I love when people do crazy things. They get a ton of media attention and drive millions of views. That's always my favorite.

Andrew: Alright. Let's go back to the big board. I wrote close the loop as the next topic...

Ryan: ...Yeah...

Andrew: ...to talk about, but in your book you talk about add the viral first. I think it's more appropriate to do that. So, in adding the viral, there are lots of different examples of how companies have done it. What does Groupon do?

Ryan: Yeah. When I say add the viral, what I mean is...

Andrew: ...Yeah...

Ryan: ...virality has to also be built into your product. This isn't an accident. I've been in so many meetings where someone will come up to me and go, hey we're glad to have you on board we really want this video to go viral. Or, can you make this make the front page of Reddit. Like it's some simple task. It's like, no. If it's really good and worth sharing I can facilitate or encourage that process, but it has to be baked into it.

So, when you see massively viral things it's either completely accidental like it's a funny child falling over kind of video, or it was deliberately engineered. Groupon and LivingSocial are two great examples of companies who built a referral based viral system into their product. With LivingSocial I believe it's if you refer three friends you get the deal free. If you get three friends to buy the same deal...

Andrew: ...Yeah...

Ryan: ...the deal's free. With Groupon it was you get 10 dollars in Groupon credits for every user or friend you refer to the service.

Groupon and LivingSocial are e-mail newsletters at their core business. They are just e-mail newsletters. Instead of spending 20 dollars in advertising per every user

that they acquire, they said let's give our users 10 dollars to refer their friends. Every time they sign up the service is now better by two people, because I'm on it and you're on it.

I think Dropbox is probably the greatest example of a referral program. Oh, you have a photo of that?

Andrew: This is my own personal Dropbox account. I decided not to take a full screen shot, but I did get that top gift box...

Ryan: ...Did you click that? Have you referred anyone?

Andrew: I did. I referred so many people that when I click it they don't even offer me free any more.

Ryan: So, for people who don't know, Dropbox has maybe the greatest referral program in the history of growth hacking. They were trying to acquire their customers through traditional online advertising. They were doing pay per click advertising, and one day one of the founders did the math. He said, we are paying 300 dollars to acquire each one of our users for a product that is free. That is not sustainable.

What they came up with instead was a referral system. So, the more you use Dropbox, and the more you add your friends to Dropbox, and the better and more active of a Dropbox user you are the more free storage you get. For every friend you get like a 500 megabyte bonus. If you follow Dropbox on Twitter you get a 125 megabyte bonus. If you take a tour of the service you get a 125 megabyte bonus on the service. If you agree to let Dropbox have access to your Facebook account so when you're active on Dropbox it shares your activity socially you get a bonus.

It turns out I think something like 38 percent of all Dropbox customers, and it may be higher than that, are now from this referral system. It drove literally millions and millions of users to the service and completely replaced their paid advertising program because it was so much more effective.

Andrew: Okay. Those, I can see, are very effective, but they feel kind of bribes. You give the example...

Ryan: ...They are bribes...

Andrew: ...Sorry? They are bribes...

Ryan: ...They are...

Andrew: ...But there's only so much bribe...

Ryan: ...I guess the point is, although less sexy, it's cheaper to bribe your customers to bring their friends into your service than it is to go out and try to acquire total strangers to give your service a try.

Andrew: Okay. Well, here, let me give a couple of other examples from the book. Here's, I think, the granddaddy of them all. It took me a while to find an old one for this. This one is from 2010, but it still has the...

Ryan: ...It's still pretty old.

Andrew: Yeah.

Ryan: Maybe the first viral marketing example in the Internet era was Hotmail. Tim Draper, the investor who put in the first, I think, half million dollars into Hotmail was talking to the founders. They were telling him their grand marketing strategies - hey, we're going to do an ad campaign and we're going to do billboards. He's like, your product is free. You can't pay to acquire customers. Instead, what if we just put a little line at the bottom of the e-mail that said, P.S. I love you and I want to give you free e-mail, sign up for Hotmail.

And I think they went from something, like, a few thousand users, to a million users within 10 days, into 10 million users within the first year, into something like 40 million users by the time it was acquired by Microsoft for \$400 billion.

Andrew: Here's another example, we've seen this so much. Blackberry, iPhone, they don't have much in common, but they do have that one line in the bottom.

Ryan: I actually think maybe Apple's greatest marketing plan, or greatest example of viral marketing, was the decision to make the headphones for the iPhone which are included, white, instead of black, and it turned every single person, not only was it, you know, complimented by a great advertising campaign, but it turned every person who was using one of the Apple music devices into a walking billboard for their product.

Andrew: I was looking for (?). As soon as you said it I said "How quick can I be with the images?" and here's what I came up with.

Ryan: Right. People don't, it's easy to forget that 10 years ago, or less than, yeah, less than 10 years ago, all headphones were black, and that is was somewhat of a shocking image to see someone with white headphones, and I think that goes to the core of what we're saying too with the "Find Your Growth Act." Don't do what everyone else is doing. Do something new and different and exploit it before that area or ocean gets crowded, and take advantage of it while you can, and then move on to the next thing.

Andrew: You know what? The Hotmail example is an old one, but look at this. Let me see if I can even show it, it's a little hard to see here, but this is a Hello bar that a lot of people put on their website. I saw that Tim Ferris had it up on his site. You can use this top section, a little hard to see, but this top section here is where you promote your stuff with a button and so on. On the left of the free version is an H that people can click on if they want to get Hotmail, excuse me, the Hello bar for themselves. They just click it and then it goes back to the Hello bar site, and I see a lot of web apps do that. If they're giving away something for free, there is an ad that goes along with it so the free people then are carriers, the paid people don't have

that ad.

Ryan: Sure. And I actually use the Hello bar, and I probably, this is crazy, I think I found out about the Hello bar from your website, clicking that exact button.

Andrew: Oh wow. They gave me an early version of it so that I can try it on Mixergy before an interview.

Ryan: Yeah, this would have been, like, three or four years ago, and maybe not that long ago, but I remember, I found out about it from someone else's website. It's not like I read an article about Hello bar or I saw a billboard for it when I was, you know, driving down the 101. It's that I saw it in use and they turned the product itself into an advertisement in some way without ruining the product. And that, a growth hacker made that decision. You know, a designer probably hates it. A traditional marketer would think that's not part of their job, and a growth hacker would see the opportunity and seize it and drive millions of users as a result.

Andrew: Okay. Last, well, not the last, but the last step in the book, not the last point that we'll be talking about is closing the loop.

Ryan: Yeah.

Andrew: What is that actually? There is it. Closing the loop, what does it mean to close the loop?

Ryan: Yeah, so if we open with, you know, deciding that fixing the product is part of the growth hacker's responsibility, whereas a traditional marketer wouldn't think that it is, I think you close with a similar thought, which is "It's not the marketer's job to just pull customers in and then leave it to somebody else to make sure that they become customers." You know, a marketer's job stops at the front door, or stops at the landing page, or-

Andrew: Right.

Ryan: Or at brand awareness, or something. A growth hacker says, you know, "It doesn't matter if you got me in the New York Times and drove 1,000 people to my website. If they all immediately left because they'd been tricked into coming here," and what I love about growth hacking is they think about conversion and they think about data and they think about improving the product based on, not just improving the product based on that feedback, but also improve it, improving the type of customers that they go after.

So if you, if you get in the New York Times and it doesn't drive you any customers, don't try to get in the New York Times again. Try to find customers who are actually interested in your service somewhere else. So I think the, the best example of this, and you might have a screenshot of it or something, is, is it the Twitter thing?

Andrew: Yes.

Ryan: Yes. So, you know, 2007, 2008, Twitter has got all the buzz that you could

want. It's got a lot of tech folk who are joining its millions of members, but what they're noticing is that people join Facebook and love Facebook and continue to use it. People join Twitter, set up an account, and then never log in and never give any tweets.

And an engineer, a growth hacker named Josh Elman at Twitter decided that he was going to do something about this, and what he noticed data wise, he closed the loop by doing this, he noticed data wise that when customers, or when potential users had noticed and then added manually 10 or so friends that they could follow on Twitter, they were significantly much more likely to stick around and continue to use the service.

And so he said "Well let's design something that makes that easier. Let's design the Twitter Suggested User List that gives you celebrities and influencers and other people who, based on your interest, or based on, you know, what's cool right now, you would be likely to get value out of following, and he designed this feature and it ended up drastically reducing the bounce rate and increasing the conversion rate and long term value of their customers. Now, I think-

Andrew: What's the feature?

Ryan: The feature is the Twitter Suggested User List.

Andrew: It is. As soon as you sign up, you're told who you can, I see.

Ryan: Right, right. Instead of saying "Hey, you know, we're getting all these customers but they're leaving," and then thinking "Well, we've got to get-

Andrew: "Let's go get new ones."

Ryan: "And only 1% of them are staying, let's get more so we can, that adds up to a lot," he said "What if we just increase it from 1% to 10% by rolling out this new feature?" And to me that is fundamentally a marketing innovation because it makes marketing so much easier.

So, it's like "Patch the hole in the dike, and then you can go out and market externally, instead of, you know, trying to get more and more and more and more and more, and marketing, in my experience, has always been about more and never about better." It's all, it tends to be quantity over quality, always, because we judge ourselves based on certain vanity metrics. You want to tell the client that you got them picked up in 100 media outlets rather than showing up on Mixergy or something and having a group of core people love your stuff and become, you know, become lifetime fans.

And so, I think a growth hacker says "Hey, we're a small, you know, lean team. We don't have money to chase new, new, new. Let's only do the things that work and let's let the data decide what that is, and let's get better every time we do it."

Andrew: Alec Champagne, Alex Champagne, let me say his name clearly, who produced this session, he got this stat, and I don't know if it's from your book, I don't

remember seeing it, but you tell me. It says "According to Bane and Company, a 5% increase in customer retention can mean a 30% increase in profitability. According to Market Metrics, the profitability of selling to an existing customer is 60 to 70%, while to new prospects is just five to 20%."

Ryan: Yeah, I think that actually is in the book, and it's-

Andrew: Okay.

Ryan: It's a pretty stunning stat when you think about it. The idea that it's not only easier but cheaper, and I think people always think, also, "How can we get more customers?" rather than "How can we increase the value of the customers that we already have?" So, instead of "How can we get more users for Twitter as it is right now?", "How can we improve Twitter so it's better for the people who are members so then they'll recommend it to their friends?" Our growth hacks will be more affected. We'll have greater product market fit.

And so growth hacking is certainly, it's a recursive loop, rather than, like, a formula, I would definitely say. And the, at the core, the most important step there is to be empirical and optimization-driven in your marketing efforts above all things.

Andrew: Here is the final point that I pulled out, and it's the use of feedback, and I've got a great visual of this of someone who's an Evernote fan who's got a sticker on their laptop lid, but I don't think it makes sense to just show the image. I think that the thought process behind it is more valuable than the image, even though I think it's a really cool thing that I want to show.

Ryan: Yeah, sure. So, Evernote, which is a great sort of note taking and research software-

Andrew: Yep.

Ryan: They kept getting feedback from their customers that they were getting in trouble from having their laptops open during meetings because their boss or their peers or the clients would think that they were, you know, screwing around on the computer instead of paying attention, and so Evernote came up with the idea to have a sticker that goes onto the back of the computer that says "I'm not playing around on the computer. I'm taking notes in EverNote." And in turn -

Andrew: Here, let's bring it up, this is what they did.

Ryan: I'm not being rude. I'm taking notes in EverNote. I love that because one, it's funny and it's cute and it's the kind of thing that you would have a picture of and show to people because it's a clever marketing idea so it's this sort of meta press. It's a social object that people would talk about in a meeting. If I see someone with that on their computer, I want to get it myself. And it's feedback driven. It's about making your existing customers better and happier customers, rather than chasing new customers. I just love that idea from top to bottom.

Andrew: I do, too. I'm going to ask you in a moment for something personal -

Ryan: OK.

Andrew: But first, let me say thank you for doing this, and if anyone wants to see the book, to read the book that we pulled just a few ideas from, it's right on Amazon. It's called "Growth Hacker Marketing". What we do - and, by the way, it's only \$2.99 - what we do at Mixergy pull ideas that we think are relevant to the audience, but there's no way I could pull all the ideas, that I can pull all the examples, that I can tell the stories in this short amount of time, completely. And if you enjoyed this program and you want to get the full message and you want to see specifically how it's all done, it's right there.

It's Growth Hacker Marketing and it's just, like I said, \$2.99. You could have sold that for more. By the way, it's actually a very short book. I have a produced here at Mixergy, Alex Champaign, who read the book for me. Who pulled out examples and images and so on. But, I said, I got the book, I'm going to go sit downstairs for a bit and just flip through it. I think it took me thirty minutes to read the whole book cover to cover.

Ryan: Yeah.

Andrew: It's like - how many pages is it?

Ryan: I think it's like 60 pages, or 55 pages or something. This is the sort of meta thing, you know. I wanted to growth hack the book itself. So, instead of going off and spending two years writing a 300 page book that cost \$26.99 and that I hope is successful, and meanwhile also missing out on the fact that, right now, growth hacking is sort of an en vogue movement, I wanted to get the book to market fast. I wanted it to be cheap and affordable, and I wanted to test the market for the product as well.

So, the book this is an e-book only, it's a single. And so, based on sales, my publisher and I are going to decide whether we want to escalate it into a full, printed version. It being a digital book only, if I get feedback from people that say, "Hey, you're missing this" or "I love this" or "I hate that" or "You misspelled something on page 22", I can fix it. So, I wanted to apply growth hacking to the book. And part of the reason it's 3 dollars instead of 15 dollars or whatever is that I wanted people to take a chance. I can always raise the price later on, but I want people to test it. I want to get their feedback. I want them to recommend it to their friends. And then I'm going to decide what to do after that.

Andrew: All right. So, here's the personal stuff that I'm hoping - I can even give it away with your permission. Can I just give out your email address in case anyone got any value out of this, they can say "Thank you" to you?

Ryan: Of course.

Andrew: All right, I'm not even giving the Ryan Holiday.net address. I'm giving the gmail which you can't give up because everything is probably tied into it. It's Ryan.Holiday@gmail.com. Is that right? I'm reading off my notebook.

Ryan: Yep.

Andrew: Ryan,Holiday@gmail.com. Let me tell you something that happened to me just this morning, or maybe it was yesterday. Someone emailed me and said, "I want to go and work for this guy who taught a course on Mixergy. Can you please email him a note introducing me?" And he gave me his email address and he told me exactly what I can say. This is just a note to Josh at Kick-Off Labs, and it's so simple for me. And then I thought, is this just some user, some guy? But he did something clever. He didn't write a brand new email, he replied to an email exchange that we had. I guess it was months ago, maybe even over a year ago, that started with him just saying, "Hey Andrew, thanks for all the work that you do" and a specific compliment about something. I replied back and said, "Glad you appreciated it, thanks for the email." He hit reply on that, and said "Andrew, could you do me this one small favor and I'm going to make it real easy for you."

The reason I'm telling you that is you're not going to want to send Ryan an email in the future when you want something from him. You're not going to want to send an email to him in the future when you want to do business with him, or one of his clients, or even want to hire him. You don't want to start off cold. You want some warm introduction. That's why, not just here but in as many session as I can, I get you the guest's email address so you can at least send a quick note to say, "Hey, thanks. I got this much out of it." Whatever. "Hey, here's a typo on page 7", like you wanted to know.

Ryan: Yeah.

Andrew: Whatever it is. It's a good way to start things off. All right, so, that's why I asked for the specific and real email address and not just the contact form. I appreciate you giving that and I appreciate you all being a part of this. Thank you, Ryan. Thank you all for being a part of it.

Ryan: Bye. Thanks for having me.