

The modern marketer's imperative: Adopting a growth-hacking mindset

 By [Gil Sperling](#)

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The role of the modern marketer has undergone a fundamental shift. The old approach of allocating big budgets to the traditional advertising complex is no longer effective, nor relevant.



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Today the chief marketing officer (CMO) sits at the confluence of product development, customer engagement, data analysis, and dynamic sales and marketing channels. This has made the CMO one of the most influential executive positions in the modern enterprise.

But embracing this new role requires a shift in mindset and approach. That's because the metrics that define a company's victory condition – the ultimate measure of its success – have changed in the digital economy.

If companies choose to still measure return on marketing investment based solely on reach or cost per acquisition or the number of awards a campaign wins, then they're stuck playing by the rules of a game in which the victory condition has changed.

That was the overriding message from serial entrepreneur, columnist, keynote speaker and trends analyst Richard Mulholland, who was speaking at the first of a series of workshops hosted by Popimedia that are designed to shift the thinking of senior marketing professionals around design, marketing and business in the digital age.

The growth hacking mindset

Mulholland explained that a change in a victory condition fundamentally changes how a game should be played. "Moving forward and moving towards something are fundamentally different strategies. Marketing can, therefore, employ differing behavioural and conceptual approaches to sell more products and create demand for services, but ultimately a business's north star metric is growth."

And in the age of digitisation, which is characterised by disruption and innovation, that growth can be exponential. Offering examples of business successes such as Dropbox, Amazon, Netflix, Slack and Facebook, Mulholland explained that these Silicon Valley entrepreneurs didn't adhere to the old marketing and advertising rules as they didn't know them. "They made it up as they went along, using the tools available to them at the time. What this gave rise to, was the growth hacking mindset."



Growth hacking

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Basically, by forgoing the traditional marketing and advertising approach that relies on a cycle of advertising to boost sales and distribution, which then funds more advertising to further increase sales in what is a perpetual cycle, these startups were able to generate growth rates of 10x rather than just 10%.

Digital has made the creative CMO redundant

In his best-selling book, *Unleashing the Ideavirus*, author and dot-com entrepreneur Seth Godin explains that the television industrial complex has become obsolete because it aims to leverage the antiquated approach of marketing *at* people.

What marketers today need to understand is that traditional marketing no longer works because broadcasting was only effective when the attention of the mass market was held captive through a single medium, like TV. Before device fragmentation, everybody saw the same content. They could all be reached in one place and everyone had a narrow attention band. Today consumers seldom watch the same thing at the same time, which has fundamentally changed the way we need to reach them.

Yet most marketers continue trying to solve the problem by changing what they say or the platforms on which they say it. Mulholland equates this to shouting louder at someone who is no longer listening.

Marketers now need to leverage data to identify opportunities or problems and create products and services that address them. According to Mulholland, the digital age has effectively made the creative CMO redundant. "Within the next 10 years, CMOs will need to understand and use data to shape a business's growth strategy. It's no longer a creative game, it's about numbers and marketing will be largely ineffectual without data," he said.

Find the right product-market fit

To illustrate this scenario, Mulholland elaborated on the concept of the solution gap, a concept taken from his book, *Legacide*. "The old problems that companies solved to build their businesses on have changed. That's the nature of problems – they're dynamic. It's therefore pointless to continue trying to rethink the solution to old problems. For businesses to thrive in the modern digital economy they need to first cross the solution gap to solve new problems."

This ultimately means some part of what the business does today will need to change, which sits at the heart of the need to

innovate. It's not about innovating the way you sell or how you sell. It's about changing what you sell and who you sell it to, because consumers themselves have changed, as have their needs and problems.

And it's a philosophy that underpins the growth hacking approach to marketing, which author, marketer, and entrepreneur Ryan Holiday has distilled into a four-step process. The first step requires marketers to find the right product-market fit.



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Mulholland explains: “Forget the old model of making products that people don't want or need, then making an advertisement to push it on them. By doing this you're trading frequency for reach. Marketing is no longer about a product's unique selling proposition. It's about identifying a unique problem that only the product itself can solve. This focus on problem-centric thinking has helped to create entirely new industries, as entrepreneurs have identified problems that people didn't even realise they had.”

Target the right people

The second step in Holiday's approach requires that businesses target the right people. That's because growth hacking succeeds when it appeals to early adopters or targets core groups of consumers who will want to trial and use new products and services.

“Defining this group is often a question of whose problem can be solved the easiest and in the shortest amount of time. The success of growth hacking hinges on a business's ability to capture users early while continuing to refine and improve the offering,” explained Mulholland.

And by targeting the right people from the outset, marketers also know that they're launching something new to people who want it. This bottom-up approach is also more scalable than the traditional spray-and-pray approach to broadcast marketing as the target groups recommend it to others. This feeds into the third step, which is finding an inherent product trait that has 'virality'.

This, explained Mulholland, is a feature or attribute that makes it possible for a new product or service to go viral. “It's almost impossible for an established company to develop something iterative in this regard, but something as simple as functionality can have this effect. Dropbox is the quintessential example of how 'virality' can be baked-in to marketing and product design. By offering an extra 500MB of space for every referral, the company grew exponentially to become what it is today – a company with 500 million global users and \$1bn in annual revenue. And they achieved this without a TVC or billboard ad.”

However, the success of Dropbox and other businesses that hacked their growth didn't end after the acquisition phase. The final step, according to Holiday, requires that marketers work to retain their acquired users by continually improving. Mulholland referred to this as the 'get, keep, grow' approach.

Marketers should shift their strategic approach

“The best way to keep the interest of your customer today is through constant improvement as modern consumers are constantly looking for something new and exciting. Without new features or reasons to keep coming back to a product or service, customer engagement dies.”

Given the unprecedented rate of change being experienced across industries, Mulholland urges all marketers to shift their strategic approach and adopt this growth hacking mindset. “The best way to make you better at your job tomorrow is to cut

90% of your budget today. This forces you to innovate because the easiest thing to do with a large budget is to spend it in the conventional ways. With no budget, you have to think laterally in terms of how you create growth.”

Every marketer should, therefore, be asking themselves, how do we create exponential growth in our business without spending the same amount of money we've used in traditional media?

ABOUT GIL SPERLING

Gil Sperling is cofounder and co-CEO of Flow , a proptech company that goes straight to the source of the largest social platforms in the world - to match people with property.

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