GOLDEN TICKET

DATE: FEB. 1
TIME: 10 A.M. (SHARP)
PLACE: FRONT GATES

THIS GOLDEN TICKET ENSURES ADMITTANCE
TYPES OF VIRALITY

There are Three Types of Virality

<table>
<thead>
<tr>
<th>Implicit</th>
<th>Organic</th>
<th>Incentivized Sharing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>Buzz Feed</td>
<td>Fab.</td>
</tr>
<tr>
<td>zynga</td>
<td>reddit</td>
<td>Groupon</td>
</tr>
<tr>
<td>Spotify</td>
<td>The Huffington Post</td>
<td>Gilt Groupe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dropbox</td>
</tr>
</tbody>
</table>
AN INCENTIVED REFERRAL IS….

- When Person A invited Person B
  - Person A == Advocate
  - Person B == Friend

- The “Holy Grail” and one of the most misunderstood marketing channels
PLEASE DON’T MARKET REFERRAL PROGRAMS LIKE THIS!!!

#spamYourFriends
REFERRALS KICK ASS

WHY RIGHT?

● Organic way to acquire “lookalikes”
● Cheapest CAC + leverage for all channels
● Higher Activation Rate
● Increase LTV of Advocates
BEFORE GETTING STARTED
ARE REFERRALS 4 ME?

- Do You Have PMF? Good NPS?
  - Sean Ellis PMF test
  - NPS Survey
- Do You Have a Big Enough Audience?
  - 2K+
- Do You Have Bandwidth?
SET YOUR EXPECTATIONS

- 10%-15% of all sales coming from referrals is a sustainable long-term goal.

- You should be able to 2x performance in 3-6mo
  - Don’t get discouraged.

- highest I’ve ever seen is 60% of sales, but it eventually got eaten by paid advertising

- WOMA will always have some untrackable component
GO DEEP HOMIE
Referral Journey

- Conversion
- Transaction Email
- Social Share
- Lifecycle
- NURTURE
- Friend Buys
- Unique Friend Entry

Reinforcement
REFERRALS ARE ABOUT AUDIENCE

NOT JUST CONVERSIONS
REFERRALS = 2 Parts

PEOPLE WHO SEE OFFER

PEOPLE WHO SHARE

PEOPLE WHO CLICK THROUGH

PEOPLE WHO BUY

lift in sales

remember, 95% won’t buy
Micro-conversion matter

PART 1

PART 2
Ask for referrals!
Part 1: Getting Shares

1. Build an Offer
2. Pick Placements
3. Optimize Share Channels
4. Reward for Good Behavior
1. BUILD YOUR OFFER

- Don’t do single sided deals
- Credits to your service for the Advocate
- Reward for the types of customers you want
- Tiered Rewards ARE AWESOME
- Add in TIME incentives
But, Aren’t Discounts Bad?

Yes & No => wtf??

- Referrals should be the one channel where you start discounting because you’re rewarding the best behavior from the strongest customers.

- Think about ways to incentivize without % off. Think Free Product, Reward on bigger purchases, etc.
Understand invite motivation

Why should users invite?
- To share a “killer” feature
- To improve their own experiences
- To gain a reward
- To be altruistic
- To do so by accident, etc.
Keep it fresh.... RUN CAMPAIGNS
BONOBOS TIERED

● Get $25 for each friend you refer
● Get a Free Pair of Pants ($88) if you refer 3
● The TOP 3 advocates get a free suit

Last 3 weeks only
SHARE & WIN

1. Share for a chance to win a trip to Costa Rica!
2. Get $20 for the first friend you refer.
3. Get $40 for the second friend you refer.
4. Continue to earn $20 for each new friend your refer after the second.
5. The top 3 referrers get exclusive Pura Vida gear.

Contest Ends April 26th

LEADERBOARD

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Referrals</th>
</tr>
</thead>
<tbody>
<tr>
<td>YOU - #1293</td>
<td>0</td>
</tr>
<tr>
<td>#1</td>
<td>109</td>
</tr>
<tr>
<td>#2</td>
<td>59</td>
</tr>
<tr>
<td>#3</td>
<td>46</td>
</tr>
</tbody>
</table>

Number of referrals needed to win a special gift: 46

Terms & Conditions
2. FIND PLACEMENTS

Where To Ask People To Share

- Post Checkout / Signup == VERY AUTHENTIC
- Public Share Page == VERY VERSATILE
- Account Dashboard == STICKY
- Onsite Promotions == Banners, Bars,
- Emails == Broadcasts, triggers, transactional
Make the invite ask prominent

400% increase
Post Checkout
Get $25 store credit. Just refer a friend.

How it works

1. You share
2. A friend clicks your link and spends $75 or more
3. They get $25 off their first purchase and you get $25 store credit
4. Repeat. It’s like a cash city and you’re the mayor

Get Started

Share on Facebook
Tweet it
Mail it

or share this link however you’d like

http://curebit.com/x/ZHULI

COPY
Standalone
GET $10 FREE!
And Your Friend Gets 50% Off Their First Order
*with a purchase of $40 or more

Enter your email

Invite Friends >

Terms & Conditions
Get $10 Free!
And Your Friend Gets 50% Off Their First Order
*with a purchase of $40 or more

SHARE VIA EMAIL

From: dom@500.co
To:
Enter your friends' emails separated by commas
Subject:
Get 50% off
Note:
Offer link will be inserted automatically.

✓ Send my friends a reminder e-mail in 3 days
✓ Sign up for emails and newsletters

SEND EMAIL >
Dedicated Email
To welcome Fall 2015, we have a special offer for your friends! Welcome them into the Try The World community with a FREE TRIAL so they can also begin their journeys.

**HOW IT WORKS**

**YOU**

Forward this email to your food and travel-loving friends

**YOUR FRIENDS**

Click on the button below to access this special offer

Enter the unique coupon code (below) on the checkout page

**Fool Proof CTA**

SELCUKFRIEND95 3591

ACCESS YOUR FREE TRIAL

**Benefit For Friends**

Instructions

**MAKE IT EASY TO INVITE!!!!**
Transactional Email
Thanks so much for your order!

- Orders typically ship in 1-2 business days.
- We'll send you a tracking number as soon as it's out the door.
- While you wait, enjoy a cat who loves boxes.

Wanna save some cash next time? Refer friends & get store credit.

Let's do this again sometime,
The Ninjas
Onsite / In-app
Dashboard
## Track Your Referrals

<table>
<thead>
<tr>
<th>Date</th>
<th>Friends</th>
<th>Status</th>
<th>Sent On/Expire</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/21/2015</td>
<td><a href="mailto:dominick@curebit.com">dominick@curebit.com</a></td>
<td>New Offer Sent, Opened</td>
<td>02/04/15</td>
</tr>
<tr>
<td>11/01/2014</td>
<td><a href="mailto:dominick@codepath.com">dominick@codepath.com</a></td>
<td>New Offer Sent, Opened</td>
<td></td>
</tr>
<tr>
<td>05/17/2014</td>
<td><a href="mailto:siackle19@gmail.com">siackle19@gmail.com</a></td>
<td>New Offer Sent, Opened</td>
<td>05/28/14</td>
</tr>
<tr>
<td>03/05/2014</td>
<td><a href="mailto:dominictest@curebit.com">dominictest@curebit.com</a></td>
<td>New Offer Sent, Unopened</td>
<td>09/12/13</td>
</tr>
<tr>
<td>03/05/2014</td>
<td><a href="mailto:niquercoryell@gmail.com">niquercoryell@gmail.com</a></td>
<td>New Offer Sent, Unopened</td>
<td>07/19/13</td>
</tr>
<tr>
<td>03/05/2014</td>
<td><a href="mailto:dominictme@curebit.com">dominictme@curebit.com</a></td>
<td>Sent, Unopened</td>
<td>07/17/13</td>
</tr>
</tbody>
</table>

## Give Your Friends $20, Get $20

You can earn $20 whenever you refer a friend and they make a purchase of $75 or more. It's our way of saying "thanks" for spreading the good word.

Enter Friend's Email

Send

Share on Facebook

[Link](http://friend.toms.com/r/HBP3pw)

Terms & Conditions apply.
Show invite statuses

Lan,

Thanks for telling your friends about Wealthfront! Here is the status of your recent invites:

<table>
<thead>
<tr>
<th>Who</th>
<th>Status</th>
<th>Last Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complete!</td>
<td>7/30/14</td>
</tr>
<tr>
<td></td>
<td>Complete!</td>
<td>6/24/14</td>
</tr>
<tr>
<td></td>
<td>Invitation Sent</td>
<td>4/15/14</td>
</tr>
<tr>
<td></td>
<td>Invitation Sent</td>
<td>8/22/14</td>
</tr>
<tr>
<td></td>
<td>Invitation Sent</td>
<td>10/14/14</td>
</tr>
</tbody>
</table>

Remember to remind friends you’ve already invited to check out Wealthfront!

You can invite more friends [here](#).
3. Optimize Share Channels

- Top Channel for Conversions is usually email or sms
- Top Channel for awareness is Facebook
- Twitter usually has very little commercial value
- More choices are a bad thing
### Offer Screen

<table>
<thead>
<tr>
<th>Traffic source</th>
<th>Unique Sharers</th>
<th>% of Sharers by channel</th>
<th>Shares</th>
<th>% of shares by channel</th>
<th>Shares per Sharer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>7022</td>
<td>59.76%</td>
<td>17759</td>
<td>74.19%</td>
<td>2.53</td>
</tr>
<tr>
<td>Facebook</td>
<td>2827</td>
<td>24.06%</td>
<td>3003</td>
<td>12.55%</td>
<td>1.06</td>
</tr>
<tr>
<td>Other</td>
<td>1902</td>
<td>16.19%</td>
<td>3174</td>
<td>13.26%</td>
<td>1.67</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11751</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>23936</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>2.04</strong></td>
</tr>
</tbody>
</table>

### Sales

<table>
<thead>
<tr>
<th>Traffic source</th>
<th>Total Sales</th>
<th>AOV</th>
<th>Sales by Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>$61,636.89</td>
<td>$34.51</td>
<td>61.02%</td>
</tr>
<tr>
<td>Facebook</td>
<td>$9,602.62</td>
<td>$29.55</td>
<td>9.51%</td>
</tr>
<tr>
<td>Other</td>
<td>$29,770.50</td>
<td>$33.72</td>
<td>29.47%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$101,010.01</strong></td>
<td><strong>$33.74</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
Sharing Analysis

1. Make a hypothesis on your top 2-3
2. Measure top channel for conversion value
3. Drive more people to share on that channel
4. Get them to share on another channel
5. Don’t show people the same offer to share again and again (#exhaustion)
Share the love!

Give Your Friends 20% OFF! For each friend that buys,
you get $5 to use at Diamond Candles

Email your friends:  Import contacts

e.g. friend1@gmail.com, friend2@gmail.com

Include a personal message here

Offer link will be inserted automatically.

Send Offer  Send my friends a reminder e-mail in 2 days

Share on Facebook  Copy and share by link
# Streamline contact selection

## Intelligent ordering

- Contact frequency
- Last name
- Familial names
- Last emailed date
- Area code
Part 2: Converting

1. Getting Clicks
2. Make A Good First Impression
3. Nurture on Micro-Conversions
4. Convert
5. Add to TOFU
1. Getting Clicks

measures your interest graph

- write copy in the voice of the customer
- allow advocates to customize
- mention the discount in the click
- PLAIN-TEXT emails
- Images on FB are what really matter
SHARE CHANNELS

- LINK COPY!!
- Email
- SMS
- Facebook
- Twitter
- “Others”
Email Shares

SHARE VIA EMAIL

From: dom@500.co
To:
Enter your friends' emails separated by commas
Subject:
Get 50% off
Note:
Offer link will be inserted automatically.

- Send my friends a reminder e-mail in 3 days
- Sign up for emails and newsletters

SEND EMAIL >
Get up to 32 GB of free space by inviting your friends to Dropbox!

For every friend who joins and installs Dropbox on their computer, we'll give you 1 GB and your friend 500 MB of bonus space (up to a limit of 32 GB)!

If you need even more space, upgrade your account.

Invite your Gmail contacts...
Maximize invitation open rates

AND DON'T BE AFRAID OF REMINDERS

@adelynzhou
CAUTION => SPAM

- Limit the # of emails sent per user
- Advanced: Use different sending records based on ESP (flip flop)
Other Shares
POWER OF LINK!!!
LANDING
2. First Impressions

- Reinforce Offer
- Customize
- Make Relevant
Make the Landing Experience **UNIQUE**
Personalize landing pages
DON'T IGNORE FRAUD

[ + ] Self & Cross Referrals
[ + ] Delay Reward Until Cleared
[ + ] Monitor Coupon Abuse

!! CHEATERS ARE EVERYWHERE !!
FRAUD BLOCKING

- block same email address
- block mac address (not IP)
- allow only a certain volume of referrals (migrate real power advocates into an affiliate program)
- track duplicate accounts (check for shipping / billing being the same on two accounts)
DON’T HAVE BAD CUSTOMER SERVICE

[ + ] Who Referred Who

[ + ] Status of the Reward

[ + ] Technical Troubleshooting

!! RESPOND FAST TO CUSTOMERS !!
DON’T UNDER STAFF ENGINEERS

Complex Logic == Dedicated Team/Partner

✓ Offer Expiration?
✓ Customer Qualified?
✓ Fraud Detection?
✓ Cross Browser Testing?
✓ SPF/DKIM?
✓ Inside/Outside IP detection

Referrals are not a “Set it and Forget it” thing
Full Cycle K+Factor

Bringing it all together
Viral growth equation

Members: 1,000
Inviter rate: 30% → 300 inviters
Invites per inviter: 10 → 3,000 invites
Acceptance rate: 20% → 600 new users

New invited members: 

@adelynzhou
10 Referral Commandments

1. Thou shalt always have a good Program Moniker
2. Thou shalt always reward equal benefit to both parties
3. Thou shalt never let an offer go idle
4. Thou shalt always test to find the best sharing channel
5. Thou shalt use email as a way to promote referrals
6. Thou shalt use plain-text emails for peer-to-peer sharing
7. Thou shalt make the “friend’s landing” experience unique and mention offer on landing
8. Thou shalt remember to include Micro-Conversions
9. Thou shalt keep the advocate in the loop of the referral progress
10. Thou shalt fight Fraud relentlessly, but not let it scare you from running offers

Further Resources:
- AirBnB Blog
- Ivan Kirigin on #500Distro youtube
- Quora on tools
Tooling Up

In Order of Expense

- Talkable
- Mobile: YesGraph / Branch / Yozio
- Extole => Not sure what they are doing ;)
- FriendBuy => Expensive Widget
- Ambassador => Rev Share based API
- Referral Candy => Cheap Widget to test
- GOOGLE: “Free Referral Software”
- Untorch / Gleam
I LOVE SHARING

DOM@500.co

@DistroDom

Many Thanks to Adelyn Zhou @Adelynzhou for sharing her referral tactics with me!