**Training Fiche:**

**A user guide introduction to the AARRR! funnel**

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| **Keywords**  **(meta tag)** | AARRR model, funnel, metrics, business growth, acquisition, activation, retention, referral, revenue |
| **Language** | English |
| **Objectives / Goals/ Learning outcomes** | * Familiarise with the essentials of growth hacking * Experiment with the five key stages of the pirates’ funnels * Validate into-practice metrics’ analysis for customer retention |
| **EQF level** | Level 4 |
| **Description** | The AARRR! Model is a theoretical framework for Growth Hacking and business acceleration introduced for the first time evert in 2007 by Dave McClure – founder of 500 Startup, one of the most important and renewed Venture Capital worldwide.  The concept of Growth Hacking relates to a methodology based on the gathering, processing and experimenting with data at product and marketing channels level to which newly founded organisations rely on to accelerate as fast as possible their penetration of the market and build their customer base.  The very AARRR! Model heavily relies in fact on quantitative analysis and benchmark of metrics to filter which of the available business / investment alternatives are most suitable and feasible at that given time.  The model allows users to fine-tune and optimize the most relevant marketing matrix for the growth and competitiveness of a project, namely customers’ acquisition and retention. |
| **Contents arranged in 3 levels** | 1. **Brief introduction to the Pirates’ funnel aka AARRR! model**    1. What is the AARRR! Model about? A quick introduction to the Pirates’ funnel    2. The AARRR! for intrapreneurs – Why even bother…    3. The AARRR! Model in its core essentials – Five steps for metrics’ measurement    4. Slight variations largely applicate & valorised into practice – The AAARRR! Model      1. **Core stages of the Pirates’ funnel aka AARRR! model**    1. Acquisition – The lead stage    2. Activation – Stimulating further the lead contacts    3. Retention – Nurturing customer loyalty    4. Revenue – Time to make profit    5. Referral – Triggering the word-of-mouth effect and positive externalities |
| **Glossary**  **(5 terms)** | **AARRR**  AARRR is an acronym for Acquisition, Activation, Retention, Referral, and Revenue.  **Acquisition**  Acquisition refers to all of the channels used to introduce people to the product. It’s the first contact with potential customers.  **Activation**  Activation refers to users taking the desired actions, or next steps, after their first encounter with the company’s products or services.  **Retention**  Retention refers to how many consumers are continuing to show interest in the products.  **Referral**  Referral refers to users introducing a company or product to friends, co-workers etc.  **Revenue**  Revenue refers to whether or not the costs for acquisition, activation and other efforts result in profitable growth. |
| **Self-assessment test (5 multiple choice questions)** | 1. **Which one of the following is a “vanity metric”?**    1. **Awareness**    2. Acquisition    3. Activation 2. **Growth hacking is:**    1. A cybersecurity response mechanism for IT start up    2. A marketing strategy to boost digital sales    3. **A methodological approach to accelerate the penetration of the market** 3. **By traction we mean:**     1. **The appeal of a business idea**    2. The Acquisition / activation ratio    3. The revision version of the AARRR! model 4. **The retention metric is related to:**    1. The number of new customers per month    2. **The loyalty of the already acquired customers**    3. The increase of the profit margin 5. **A robust and reliable reputation**    1. **Ease the attraction stage**    2. Strengthen competition’s development and innovation    3. Increases costs |
| **Related PPT** | GENIE\_PPT\_AARRR model.pptx |
| **Bibliography** | 1. Startup Metrics for Pirates: AARRR! - Dave McClure, Ignite Seattle (2007) <https://www.youtube.com/watch?v=irjgfW0BIrw> 2. Stanford Seminar - Entrepreneurial Thought Leaders: Dave McClure of 500 Startups, Stanford Online (2014) <https://www.youtube.com/watch?v=MXuwRICnMW0> |
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