

## **GROWTH HACKING IMPLEMENTATION. AN OVERVIEW OF BENEFITS AND CHALLENGES**

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### **ABSTRACT**

Over the past decade, the competitive digital landscape in which many successful businesses have emerged has attracted the interest of many scholars (Bresciani et al., 2021). The spreading and combination of new technologies, such as artificial intelligence and big data, has accelerated and shifted the approach to business growth strategies (Santoro et al., 2019). Among these, Growth Hacking (GH) has recently attracted the attention of management scholars (Bargoni et al., 2023). According to Ellis (2010), GH is defined as “that process of rapid experimentation that links marketing and information and communications technology (ICT) to identify the most effective and efficient ways to grow a business”.

In the current scenario, the GH approach has been analyzed mainly by professionals and practitioners in books, blogs and online articles, explaining its meaning, methods of utilization and potentials (Ellis, 2014; Holiday, 2014, 2012). Managers are aware of the importance of GH strategies to improve their business growth and scalability (Ellis and Brown, 2017; Ries, 2011). For example, Ryan Holiday (2014), a media strategist and prominent writer on strategy and business, in his bestselling book "Growth hacker marketing revised & expanded" articulates how the way of marketing has undergone a profound change in mindset over time, arguing that the new marketing mindset for growth can be represented by 4 steps of GH, respectively called product-market fit, hack, going viral, and retention and optimization. From a scientific point of view, however, just a few research papers on GH have been published so far. Bohnsack and Liesner (2019) have analyzed GH along the customer lifecycle by applying a taxonomy to provide a solution to different problems that may arise. Troisi et al. (2020) have shown that the application of GH to B2B marketing strategies can benefit from a data-oriented mind-set to generate economic, knowledge-based and marketing advantages throughout the entire supply chain and in the enhancement of relationships with customers. In addition to confirming the relevance and importance of the GH mind-set and process, Conway and Hemphill (2019) also emphasize how it is most effective when it is implemented by a multi-disciplined team of marketers, data analysts, coders/developers and people who use and understand technology. Finally, the recent study proposed by Bargoni et al. (2023) has contributed to the theoretical advancement on GH by presenting multiple research propositions related to the capabilities and routines developed by companies to deal with international markets and for international expansion.

Summing up, current studies on GH are more widely covered by entrepreneurs and managers in books, blogs, corporate testimonials or web articles, leaving a huge gap in scientific and academic journals. To the best of our knowledge, there are no specific empirical studies explaining what benefits and risks are associated with GH implementation in organizational settings. The lack of in-depth coverage on GH contributes to diminishing not only the importance but also the theoretical advancement on the topic. Therefore, the GH literature should be strengthened and supported to enable the theoretical and practical development of this novel approach even from a scientific perspective.

This research aims to contribute to the limited literature on GH by providing new insights on the benefits and challenges that companies encounter while implementing GH, leveraging the perspectives of CEOs and Growth Managers who are presently involved in the growth process of their respective companies.

In line with the above, this paper aims to address the following research question:

RQ. What are the benefits and the challenges of GH implementation?

This research leverages an inductive qualitative research design approach focused on multiple case studies (Eisenhardt and Graebner, 2007) of micro enterprises, consulting agencies and professional (GH) consultants. More specifically, this study undertakes an investigation of innovative companies across diverse business domains, such as gaming, fitness, travel, and accounting services. Our primary objective was to analyze their business development and growth plans, especially their employment of innovative approaches in such plans. The inclusion of perspectives from various sources, such as firms, consultants, and startupper, has provided a comprehensive and diverse analysis, thereby enhancing the overall value and credibility of our research. To collect the necessary data, the authors conducted semi-structured interviews with CEOs, managers and consultants of micro and small enterprises. To facilitate qualitative data analysis, the interviews were fully recorded, transcribed and analyzed manually. Specifically, qualitative data were analyzed according to the Gioia (2013) methodology to preserve the rigor of qualitative research.

Our results observe that GH has the potential to generate numerous benefits that can facilitate the adoption of this approach when implemented in companies (i.e. scalability of strategies and data-driven culture; learning from failures; more leaner, efficient and ordered processes; readiness to respond to change). The findings also reveal interesting insights about the challenges of GH implementation in companies, including entry barriers, lack of time, budget and resources, and propensity for risk, failure, and patience.

This research contributes to the theoretical advancement on GH as follows: first, we fill a gap in the GH literature by examining the effects of its implementation in management and marketing; second,

we provide empirical evidences into the benefits that companies gain due to GH implementation; third, the study provides evidences of the challenges that companies face during GH implementation. Meanwhile, from a more practical perspective, we gather empirical evidence to investigate the impact that GH implementation has had on companies and the benefits and challenges that have arisen. By doing so, companies and their managers should proactively leverage GH implementation and make greater use of it, given the positive benefits. However, managers need to be aware of the challenges of GH implementation and use it carefully due to the presence of entry barriers and possible lack of resources or propensity for risk.

*Keywords: Growth Hacking, Big data, Digital transformation, Experimentation process, Test, Growth strategies, Business growth.*

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