

How to bootstrap your startup on a shoestring marketing budget

Less than a year after TidyChoice launched in 2015, Homejoy and Handy from the US and Helping from Germany entered the London home cleaning market. Both Handy and Helping had over \$100M venture capital funding whilst Homejoy had around \$45M funding. By contrast, we had less than £50,000 marketing budget to bootstrap the business to £1M revenue.

There is no doubt that TidyChoice benefited from our wealthy competitors' marketing spend. Their big spending helped develop and expand the whole online cleaning market in London and we rose with the tide. However, with a comparatively tiny marketing budget, we had to adopt a very disciplined approach to marketing to make our brand stand out.

It was a very tough journey but five years later, we now have a stronger business than Handy or Helping in London and Homejoy subsequently folded. Here are some of the things we learnt.

Measure everything

At the risk of stating the obvious, you need data to understand if a marketing strategy works. Take the time and effort to record costs, leads and conversions so you can get a handle on Cost per Acquisition (CPA) and Lifetime Value (LTV). We avoided channels, such as general advertising, where we could not measure the impact. We used promo codes and Google Analytics and lots of spreadsheets to record information and figure out what works.

Prioritise repeat business over quick wins

In many ways, venture capital funding and big marketing budgets damaged our competitors. They were pressured to grow their businesses rapidly and ignore unit economics. The problem is that their businesses became big sieves, gaining customers quickly and losing them equally quickly.

It can be tempting to kickstart your marketing with giveaways, discounts and free trials. You want to get your business in front of as many customers as possible, and customers love to feel like they're saving money. While these tactics can be helpful to give your marketing a bit of a boost, be sure to avoid the pitfalls of hunting for quick wins.

The online platform Homejoy serves as a good example of how this approach can damage a company in the long run. According to Forbes, a key contributing factor in Homejoy's eventual failure was their ardent focus on growth by any means, to the detriment of generating repeat business. Their introductory offers were extremely attractive and managed to attract a huge number of first-time customers. As soon as discounted prices were no longer available, however, customers did not stick around.

Your business will be better served by focusing on attracting customers who will come back to you again and again. If you are spending your budget attracting customers who won't stay with you for the long run, your business will suffer as a result. Estimate your LTV monthly to ensure that you are building a sustainable, profitable business.

Be ready to learn to do things yourself

When you're starting up, it is easy to feel like you don't have the time or resources to properly market your business online. In a perfect world you would have an in-house team of experts perfectly synergising your marketing across every online platform you can name. In reality, you're going to need to learn to

do it yourself.

For Google Ads, we initially engaged a freelancer to set up our account and run it for a period until we figured out how it works. We then took it in-house and managed it ourselves. We then decided to “optimise” the account by outsourcing to an agency but found the performance went backwards. By taking it back in-house, we saved agency fees and improved performance. As we learned to manage the account efficiently, it no longer takes up much of our time either.

We also manage social media and SEO in-house. Even if you don’t have a budget to spend on social media yet, you can still begin to build up a following and get the word out about your business. You can also find freelancers on sites like People Per Hour or Fiver who can help create content and manage social media accounts at reasonable cost.

For SEO, there is a wealth of information available to help you get to grips with the basics. You can use specialists sparingly to help with technical aspects but much of content creation and link building can be easily done internally. Marketing interns are a good way to keep costs down.

A bad website will lose you business

No matter how polished your offsite marketing may be, if your website looks unprofessional or does not work properly, you are wasting your budget and losing business.

Your website is more than just an online billboard with your email address and phone number on it. The quality of your website will be the first and only thing that many potential customers will use to assess the credibility of your business. When I used to provide digital marketing consultations, the most common and glaring issue I found were businesses with websites that looked unfinished, were difficult to navigate, and loaded far too slowly.

In general, it’s a good idea to have your website built by a professional as soon as possible. Some build-your-own website tools can produce decent results but there is no substitute for the eye of an experienced designer. If you are certain that you cannot afford to pay for a professional design, try to factor a website update into your business plan and contact designers for quotes in advance.

Take ownership of your website

A horror story that I encountered all too often during my time as a website

consultant was that of the absent designer. Businesses would have websites that looked great 10 years ago but in serious need of an update. The most common cause of this issue was a web designer who either disappeared, fell out with the company, or refused to update the site without the business first paying an extortionate fee. Worse still were the cases in which the website was a custom design with bespoke coding, discouraging many other website developers and designers from going anywhere near it to attempt to fix it.

Never allow yourself to fall into this situation. If you are selling products on your website, ensure you have all the relevant data saved remotely in a CSV file, ready to be worked into any new websites down the line.

When approaching designers, take a careful look at their portfolio and enquire about ongoing services and the charges you will accrue for future updates and changes to the site. Be as thorough as you can be at this stage and never grant full ownership of your website to a third party.

Kill your darlings

The expression “kill your darlings” is employed by screenwriters who are streamlining their scripts by cutting out unnecessary fluff and story elements that don’t contribute to the overall plot. Even though they have spent many hours creating these parts of their work, they understand that they don’t contribute enough to the story as a whole and need to be removed. The same strategy can be applied to marketing your business.

When you start out, don’t be afraid to try a bit of everything. Use a wide range of different social media platforms, experiment with different types of campaign, and figure out which aspects of your marketing are actually bringing in new business. Once you have a good idea of which platforms work best for you, focus in on those platforms and cut out any expenditure that is not giving you a good return. Now you can begin to trial different approaches on your chosen marketing platforms and cut out any that don’t work.

Conclusion

Working with a small marketing budget can be difficult. It is important to take care with what you have but also to continue to experiment until you find the right solutions for your business. It may seem daunting at first, but by continuing to refine your marketing methods, you will find your cost-per-acquisition will continue to improve over time.

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marketing intern at London-based home cleaning platform, TidyChoice. He has several years of experience consulting small businesses on how best to spend their marketing budget.

Founded in 2014, TidyChoice is an online platform, offering home cleaning services for London residents. TidyChoice professionals undergo a careful vetting process, to ensure customers can choose from a trusted and reliable community of housekeepers. Customers can choose their preferred professional and professionals can choose their own rate, hours and areas of work.

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