

# THE SELF-ADVERTISING PRODUCT

## Product-Led Growth Loops + Network Effects

### 1. The Two Frameworks Used:

#### PRODUCT-LED GROWTH LOOPS

The product itself does the marketing.  
Using it naturally exposes it to new users, who then use it too.

#### NETWORK EFFECTS

The product becomes more valuable to each user as more people use it.

### How the Two Connect (Fusion Logic)

A growth loop brings users in; network effects make them stay and make the product better for the next arrival. Fused, growth stops being something you buy and becomes something the product does by itself.

### 2. Application: **DROPBOX (USA)**

#### Background — What Happened and Why

- Dropbox's paid search advertising was costing far more per customer than a customer was worth.
- The product was a low-priced consumer subscription — expensive ads simply could not pay back.
- But the product had a natural sharing behaviour: people shared folders with colleagues and friends.
- Every shared folder was an invitation to a non-user — an advertisement the company wasn't using.

#### What They Did

- Built a double-sided referral: give free storage to the person who invites, and to the person who joins.
- Made sharing a folder a core, frictionless part of the product.
- Made the signup path from a shared link as short as possible.
- Stopped relying on paid search, letting the product carry acquisition.

## Applying the Fusion — Step by Step

1

### Find the sharing built into the product

Dropbox users naturally shared folders with colleagues and friends. Each shared folder was an invitation reaching someone who didn't yet use Dropbox.

2

### Reward both sides of a referral

Dropbox gave free storage to the person who invited a friend and to the friend who joined, turning normal sharing into growth.

3

### Make joining effortless

The path from a shared link to a new signup was made as short and simple as possible, so invitations easily became new users.

4

### Let the network get more useful

As more of a person's contacts used Dropbox, sharing became normal and the product became more valuable with each new user.

## The Result

The referral programme drove a massive jump in signups at a fraction of paid-ad cost. Each new user made the network slightly more useful — and became a channel for the next user.

## 3. Key Takeaways

- The best growth loops hide inside the product's most frequent action.
- A loop that reaches recipients as beneficiaries, not targets, converts at unmatched rates.
- Network effects turn a distribution loop into a defensibility loop.
- Use for any tool whose output is naturally shared with non-users — scheduling, documents, payments, signatures.