*Welcome to the PublicBeta podcast. My name is Jack Kaufman and I’m interviewing successful entrepreneurs about how they found their first customers for their businesses. Check out our book at yourfirstcustomers.com to reserve your launch discount.*

*Today’s episode of the PublicBeta podcast is with James Deer, co-founder and product director of Gather Content. Gather Content is a SaaS application that allows you to do web site content organization collaboration and workflow management. In this episode, James shares stories about how he found the first customers for Gather Content and gives some good tips that will help you find your businesses’ first customers. Here we go.*

Jack: Hi everyone. I’m really excited to be interviewing James Deer for PublicBeta today. James, thanks for taking the time to speak with me and help share some of your experiences and advice related to your company, Gather Content.

James: Yeah. No worries at all.

Jack: Great! So our first question is, could you tell us the story of how you found your first customers for Gather Content and maybe also just tell us a little about what Gather Content is?

James: Yeah. So the way that we found our first users when I went to customers is because we were in beta for probably the first six months before we kind of publicly launched the product. Just a number of ways really. Because Gather Content came from a place where we experienced the problem that we were solving in my previous company, we kind of had ourselves almost as our first users which was a digital agency by the way. And we were able to kind of talk to local agencies as well just to see if they had the same problems that we’re experiencing around gathering content for their client web projects. And it just turns out that they also have these kind of issues, and we just kind of invited them to the prototypes to kind of give them a spin on some of their own client projects. And through that, we would start talking about it and started to be more open about it publicly and we kind of threw up a landing page that would just capture email addresses for sort of people who the kind of the core problem resonates with.

Jack: Yeah.

James: And just over time, again just threw myself past on to its networks and kind of just jumping in to conversations where I’d be searching for people that were talking about content and just kind of try to at least add some value to those conversations. Just kind of dropping in the landing page link. So we were kind of over time slowly building this list up, and then it got to the point where we took the alpha into beta so to speak, and we kind of polled everybody that signed up into the app just to kind of get their feedback on it. And we were quite fortunate because we were solving a problem that really hadn’t been tackled by any other software. People were really engaged with the beta which meant that as we kind of went through the beta and we were really kind of getting to know these users, when we kind of made the announcement that we were launching and telling people, went in advance by the way of what the paid plans would be, we essentially launched a hundred customers at the door.

Jack: Oh wow.

James: Just because people were so engaged with the app and getting so much value from the app. They were just happy to pop in their credit cards, and yeah off we go. I do feel like we’ve made the mistake of pricing the product too cheaply in the early days which is unfortunate, but I really think it validated that there was a genuine problem that people were willing to pay for. If I would go back and do things differently now, I think I would have people probably put their credit card details in for the beta to actually determine early on whether or not people would actually pay for it because it could have just turned out to be one of those apps that people would have expected for free and maybe not pay for it. So I hope that kind of answers the question.

Jack: Yeah, it definitely. Were you funded or bootstrapping at the time you found your first customers for Gather Content?

James: We were totally bootstrapped.

Jack: Okay.

James: Like I mentioned, Gather Content was kind of borne out of my previous company which was an agency. So we were using essentially some of the profits from the agency to sort of part-time fund the development for the product, and as soon as we launched, we kind of made the decision to say, “You know what? We can just pour more into this.” So yeah, I suppose you could say that we were using the revenue that we were… I suppose you would actually say that almost we kind of funded ourselves or bootstrapping to a certain level.

Jack: Yeah.

James: And then as we grew, we were kind of re-investing all of the revenue that we were gaining. So hiring a team.

Jack: Great. So your first customers weren’t paying you immediately. When you did started having them pay you after the beta, what was the model you were using? Did you have a free plan at the time or was it like a free trial for new customers after that point and then they would start paying you?

James: Yeah. It was just a 30 day free trial that we still use now kind of 18 months later. And just kind of for their type of customer like our ideal customer are used to those kinds of trials where they can log in, they can create an account, they can check on the software, they can play around it for 30 days. As long as you’re clear upfront that there is a paid for kind of product. We didn’t really have a free plan initially. We had some very, very cheap plans, things like $14 a month and stuff like that which we still have some customers paying today. But we kind of quickly realized that the number of customers you have to really gain at $14 a month is it’s so difficult to kind of get that early on. So we kind of initially I think it must have been after the first three or four ones, we essentially just doubled the prices for any new customers. The growth rate it actually speeded up. It didn’t actually slow down which is obviously awesome.

Jack: Great. Like a quick follow-up question about that, would you recommend that entrepreneurs test out their pricing kind of that early on? I mean for you guys it was a big win, a big success, kind of just experimenting with it, maybe AB testing kind of what the prices are.

James: Yeah. I definitely think you need to make it clear that it will be paid for product at some point. Again, if I can go back, I would definitely for the really early beta testers, you have to talk about really getting to depth about the pain that you’re solving for. And I kind of feel the talking about pricing at that point and kind of getting is it a $500 a month product or is it a $30 a month product. What can we get that’s going to… For your ideal customer, what kind of pricing point is going to work best for that so that it’s better for you as a startup because I kind of feel like a lot of startups price cheap.

Jack: Yeah, definitely.

James: Because they fear that people aren’t going to pay the prices, but I think that people will be kind of surprised and I think if you start high, you can always roll back. Whereas if you’re starting low and things take off, you’ve got a load of customers that you have to support aren’t paying you very much money.

Jack: Yep, that’s great advice. Let’s see. What were some specific techniques or strategies you used to find your first customers? I know you mentioned kind of reaching out to people on Twitter and kind of getting involved in conversations there. Was there anything else?

James: Yeah. So one afternoon, one Sunday afternoon, I sat down on LinkedIn and I basically InMailed—I think it wasn’t even InMail. If you’re a member of a group in LinkedIn, you can email, you can message within LinkedIn other members of that group.

Jack: Okay.

James: Those people don’t necessarily have to be directly connected to you. So I think I must have just sat down and personally wrote I think it was two and a half thousand personal messages to people.

Jack: Wow, okay.

James: And it wasn’t a sales message. It was “Hey, my product is going to be coming at beta soon. Before we launch it. I’d love to just get your eyes on it and I’d love to just hear what you think even if you’re not an ideal customer.” And that went down really, really well. I think we just have had at least a couple hundred people sign up.

Jack: That’s fantastic.

James: To the beta from there. They didn’t all become paying customers but I kind of felt like for whatever reason that gave us a bit of a surge in word of mouth, and just of idea of just floating your product out there in front of people. And again, it was because we were able to really easily tie our product to a pain that these people felt, and we knew they felt it because we felt it ourselves.

Jack: Great. And my last question is what’s your number one tip out there to prospective entrepreneurs about finding their first customers?

James: That’s a good question. I think before you kind of go hunting for your first customers, I kind of think that you really have to solve a pain that you know exists. I think there are a lot of startups out there they invent pains that nobody really has.

Jack: Yep.

James: And I think it’s just about if it’s people in your networks who you think are your ideal customers or fit your ideal customer profile, I think if you can get out there and just take them for coffee, take them for dinner, just ask for a Skype call. That’s something that I did kind of in the speed to period. I was basically just jumping on Skype with as many people as I could. And it wasn’t necessarily to talk about my product. It was to talk about their process and how they currently work and what they felt about the way it worked and kind of just asking open-ended questions that you can then sort of probe a little bit deeper into. Once you’ve done that, you’re able then to take that kind of research, that information and then form it into I guess hypothesis as to whether or not your product will solve that or your features solve that. And then essentially what I did after the fact was once there was a good number of people where we identified sort of a similar theme throughout it, we just got in touch and say, “Hey, look. Have a free 60 day trial.” Because at that point those people hadn’t all necessarily signed up. Or “Come and have a look at the beta. Here’s an invite code for you.” If you’re in beta still, just try and make it a little bit more exclusive. “Here’s an invite code for you. It will launch for 24 hours. I would appreciate if you didn’t share this.” That kind of stuff. Yeah. Does that kind of answer the question?

Jack: Yeah, definitely. That’s a fantastic, fantastic tip. Yeah. I think really making sure and doing the research before you start building and making the product to make sure that it’s actually going to solve a pain or problem for someone is definitely really critical. So thank you so much for taking the time to do this interview for the PublicBeta podcast. I really appreciate it, James.

James: No worries. Cool.

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