*Welcome to the PublicBeta podcast. My name's Jack Kaufman and I'm interviewing successful entrepreneurs about how they found the 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 Scott Watermasysk, co-founder of Kickofflabs. Kickofflabs is a SaaS application that allows you to create mobile-friendly landing pages and online forms and do email marketing all with a viral boost. In this episode, Scott shares stories about how he found the first customers for Kickofflabs 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 Scott Watermasysk for the PublicBeta podcast today. Scott is co-founder of Kickofflabs. Scott, thanks so much for being here.

Scott: Thanks for having me.

Jack: Awesome, awesome. So no worries. So we can kind of jump right in then and my first question is, could you tell us the story of how you found your first customers for Kickofflabs?

Scott: Yes. I mean I guess the way we went about it is I think naively, we did a lot of what other start-ups do. We started blogging and tweeting and that kind of stuff. And I guess it helped to a certain extent. I mean we're new, we had some friends, we had people that were kind of waiting for us to launch. But after that I think we pretty quickly found that it takes a lot of time to build an audience. So it's not that building an audience isn't important. It just takes more time than I think what we were willing to kind of put in to do it, when we started. So we immediately started going out and we started looking for people who were talking about things that were interesting to our business. So we looked for people tweeting about with kind of a competitor at the time who was making people sign up on Twitter and kind of wait in line to get in the door. And so we immediately started writing to those folks and as non-spammy way as we could and said you know what, there's no waiting line here. We would look up information about them. And so if they went to a college we knew about, or if they had a start-up in the market. You know, we'd try to engage them a little bit and try to kind of speak to them more about why they shouldn't wait and there's no need to wait. Then we did a lot of other things like we went to places like Quora and started participating in discussions about landing pages and email marketing and that kind of stuff. So I mean I guess to sum it up it would be we tried to go where our customers were.

Jack: Good, great, great. And were you funded or bootstrapping at the time you found your first customers?

Scott: So we were self-funded.

Jack: Self-funded, okay.

Scott: Self-funded, so there was funding there but it came from–.

Jack: From yourselves.

Scott: Both Josh and I put some money into a joint account and said that this is what we're going to use to build a business.

Scott: And so that was the only time where we had this two-week window where we let people sign up for free. We managed to get a hundred people, 200 people. And it was mostly like our friends so it might even have been like kind of closed beta. I don't really remember at the time. But there was a

Jack: Okay. And were your first customers paying you immediately? Or were they just users and kind of also, what was your business model at the time you were finding your first customers?

Scott: A little bit of all of the above. So the short story is, we started in March, three years ago. When we got to around early June, we released a beta version of the product.

Jack: Yeah.

Scott: And so that was the only time where we had this two-week window where we let people sign up for free. We managed to get a hundred people, 200 people. And it was mostly like our friends so it might even have been like kind of closed beta. I don't really remember at the time. But there was a very small window of where we didn't have a full-fledged credit card system kind of up and running. Two weeks after that, that we immediately put up the pay wall per se, and let customers sign up and start paying us. We were pretty adamant from the beginning to use what we defined at the time, or what we thought were important premium features, that you were to pay to use those features. And our thinking behind that was that if we really want to learn what features that potential paying customers would need, we'd have to start by talking to folks who are willing to pay you. It's very often you can go to somebody and you see a lot of people doing this with a new business, and they say would you pay $30 for this? If people say yes I will, saying yes I will and taking out a credit card then actually paying for it is a very different scenario. And I think it's even different than the people who say I'm going to put up a credit card button to click, and then see how many people click the buy button. I still think it's different when you actually have to enter the credit card number. And so it obviously slowed the number of sign-ups we had, especially when we first started. When we first got going, we used to kind of seeing ourselves a… What I'm trying—I'm losing the term. We'd have a browser make a noise every time somebody actually just signed up, not even if they paid money, just if they signed up. Because it didn't happen that often. We were pretty excited about it. And then obviously we'd play the sound when people pay us, and we still make the sound when people pay us money. But what it really helped us do, is it helped us prioritize. We only had a handful of sign-ups at first. And even less of those people were paying us money. But the folks who actually were paying us money were saying alright, I love the service but I need this feature. It's much easier to kind of convince yourself to go implement that feature especially when you hear it from two, three, four, five people who have all said I already pay you for the service, it would be better if it did this.

Jack: Yeah definitely. That definitely provides extra motivation and kind of two follow-up questions are, let's see. So the first is did you eventually charge the people who were in that initial beta that were using the site for free initially or how did that work? Did you transition to making them paying customers?

Scott: Now that I said it out loud, I want to say that it was a closed beta to like friends and family. Now I actually I say it and I think about it for a second. So

Jack: Yeah.

Scott: We did pretty good at letting friends and family use our service for free, especially the ones who'd given feedback. They were mostly former co-workers and that kind of stuff. So now I say it out loud. There was a big emphasis on getting those folks to the upgrade and pay.

Jack: Interesting. And I remember kind of when you guys were first kind of watching in on the scene, you had a lot of extra features that kind of the competitors at the time didn't have. And actually still don't have, which is kind of interesting. So do you think those extra features really encourage people to pay for you even though there were free alternatives?

Scott: A little bit. It's one part folks doing the research and seeing what's out there. I think we've always tried to differentiate ourselves as far as why we're charging versus someone else that's free is that we both have a background in support first type organizations where we want to be there, we want to help you any way we can. And we still offer like a free-hour of consulting for anyone who upgrades and pays. And help you kind of get your landing page. Not actually set-up but we'll provide feedback on your messaging and the things you're doing to just to try to help you be as successful as possible. And in a totally free, everything's free, we're going to figure out how to make money in the future type of scenario, we couldn't offer that level of support engagement. We've had a phone number since the very beginning. I don't know if we had it on day one but we had it pretty early on where you could call and talk to us or at least leave a message and we'd call you back. We're not huge but we're past the point of being able to kind of answer that as soon as it rings every time. But we certainly do follow-up with everybody and call everyone back. But we wouldn't to be able to do that especially at the level. We want to do that, if we weren't charging money for the service in the beginning.

Jack: Yeah definitely, it's like kind of helped differentiate and that add extra value to what you're offering. Okay great. So besides kind of going to where your ideal customers were on the internet so on Quora and on Twitter, were there any other kind of specific techniques or strategies you used to find your first customers? Or was it really just engaging in conversations with those people and kind of saying there is this alternative, we recommend you check it out?

Scott: I think if there's any one thing we did to help grow our customer-base it's the focus on support. Because there's no content strategy there. There's nothing that you can do on a sustainable level to grow your business than to have other customers say, “You know what, I had success with these guys.” Or even customers who say, “You know my start-up idea, I was using Kickofflabs where it wasn't a success but they took care of me all the way through.” And we still see people like at least once a week, there's somebody where user IDs are up to like 30,000 and change or something like that. And you see somebody with like 800 and they'll upgrade. And you know they'd upgrade it, they'd downgrade it and moved on or had done something different. And you know they've kind of come back. And those folks have told other people about us. So that has been by far probably the thing that's helped us be the most successful is that we've done everything we could possibly do, I think, to take care when we just had one customer, took care of that person. And now that we have more than one, still try to take care of them on kind of individual level. And I still think that's better than any content marketing, email, newsletter, any strategy you could do just to have somebody else say “This is who I would use.” It's better marketing you can do yourself.

Jack: Definitely, definitely. I guess I have just one more question then and that's, what's your number one tip out there to prospective entrepreneurs who are thinking about starting their own business, and thinking about kind of getting their first customers? What's your number one tip for them to find their first customers?

Scott: The number one tip to find would really be just to go where your customers are, and then to take care of those customers would be by far the biggest tip for starting. I just think too often, people give up a little bit prematurely. And it takes time to kind of make that customer happy and to kind of show success and then to give them time to kind of tell others about you. You see a lot of people who they might get that first customer, but it’s their 10 they kind of give up on and then they move forward. And I'd give it a little bit of time to spread. In an ideal world, somebody would upgrade, create for us, we'd create a landing page, it would be like this is awesome. They go tell the world about it. But it generally doesn't happen like that. They sign up for free. They play around for a little bit. They eventually upgrade. You have some sign-ups, they have success. They might ask a question or two to get a response they want. And then after a week or two, they might tell their friends that they're having success or recommend this or whatever. And just that kind of trickle. Experience just takes time to play out.

Jack: Okay great. And kind of just quickly, I have one more follow-up question which is, going to where your customers are and talking with them, do you think that cold-emailing or cold-calling customers could be a good way to do that? So if you're not necessarily seeing a decent amount of chatter on Twitter or Quora, kind of emailing different people in the industry that you want your product to be for and kind of asking them about it and kind of having a conversation with them. Do you think that could also work?

Scott: Yeah I mean so spam is just like blanket saying I don't care who you are, what you do, I'm going to email 30,000 people or something like that. If you take the time to look up someone, we still get it so we do a lot of email and just about every person who does email something on the back-end of email is contact at some point. But if somebody looks up and writes to either myself or Josh, and says, “You know what I have a product that may help you,” explains the benefit of what their product does. To me, that's not necessarily spam. I mean I don't have all day to go out and research that kind of stuff. But when I get emails about various DNS providers, and I get people email me about PHP jobs, right they're a candidate for a great PHP job which would be fabulous except for we don't use anything in PHP. We've never mentioned and there's nothing wrong with it but we've never mentioned PHP on our site. We've never said we do anything with PHP. I mean it's…

Jack: It's clearly a mess.

Scott: Yeah that's just one part spam, one part being lazy. But if someone said hey you guys look like you're a rail shop, what do you do? Email marketing. I saw you on a podcast talking about how to get your first customer, and I have a solution and that helps you get your first customer. To me, that's not spam. If it was sent to me, they looked up something about me. They found my email address. It kills me how often sometimes they send something to support@Kickofflabs and they're trying to sell something, and you're just wasting your time because we have a couple of folks that help us with support so you're not even getting the tool. You're just wasting everyone's time. And to me it says both spam and lazy. But if you actually had a solution that would potentially help my business, I don't think there's anything wrong with that. I can't be and you can't be friends with everyone on Twitter and Facebook and like I do not like using Quora myself. Josh hangs out there quite a bit. So it's just not possible to cover all those bases so to me that's fine. That's

Jack: Great. Well that's all we have today. Thank you again Scott for taking the time to do this interview and share some advice and tips.

Scott: Perfect. Thanks for having me.

Jack: No worries.

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