*Welcome to the Entrepreneur's Guide to Finding Your First Customers podcast. My name is 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 Entrepreneur's Guide to Finding Your First Customers podcast is with Anthony Eden, founder and CEO of DNSimple. DNSimple is a SaaS application that makes hosted DNS and domain management easy and simple. In this episode, Anthony shares stories about how he found the first customers for DNSimple 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 Anthony Eden for PublicBeta today. Anthony, thanks so much for taking the time to speak with me and help share some of your experiences and advice about how you found the first customers for DNSimple.

Anthony: Thanks. Well, I’m glad to be here, Jack. I appreciate you asking.

Jack: Yeah. Of course. We’re really glad to have you on. And we can jump right into the interview. My first question is could you tell me the story of how you found your first customers for DNSimple?

Anthony: Sure. So back in the very beginning, I was working—I’ve been a software developer for a long time and I was working on a startup and it sort of had ended. It didn’t reach the goals that we were hoping on and hoping for. And so I decided to do a little bit of contract work and also started thinking about what I wanted to do in the long run. I’ve known a lot about domain names and DNS and I always worked for other people and I said, “Okay, this is maybe a good opportunity.” The first thing I did was sort of start talking to a few people on Twitter, mainly people that were my followers. These are people that already knew me as a software developer, and I said, “Hey, would you be interested in a service like this, a DNS service provided by me?” The first customers were friends from Twitter who knew me and who trusted me enough to say, “Okay, I’ll give this a shot.”

Jack; Okay. Great, great. Were you funded or bootstrapping at the time you found your first customers?

Anthony: We still are and have always been a bootstrapped company.

Jack: Okay. So those first customers that you kind of communicated with on Twitter and found on Twitter initially, were they paying you immediately or were they just users? Can you talk a little bit about what your business model was at the time you were getting your first customers?

Anthony: Sure. I knew from the very beginning that we were going to charge. I didn’t want to be caught in a situation where we had a free business where people expected us to provide a service they wouldn’t pay us for, and therefore we would have trouble keeping the service operating because I’d been there. That was what the previous service did, the previous startup, and it didn’t work very well. It worked great as far as getting a lot of people sign up but it didn’t create a lot of customers. And so from the very beginning essentially, I looked and I said, “Okay, we’re going to provide the DNS service first.” So this was just hosted DNS. That’s all we did. I looked at what the competitors were doing and everyone was either way up market. So these are the big DNS providers like Dyn and companies like that, or they were registrars where people would register the domains with them first and then they would get DNS as part of it. There were very few DNS services that were software as a service. And so I looked at it and I said, “I’m going to start up by charging 3 bucks a month.” It’s almost nothing, right?

Jack: Yeah.

Anthony: It’s like a coffee a month. And for that, people could get up to 10 domains and we’ll provide the DNS for them. I gave everyone a 30 day free trial. So for the first month, if anybody signed up, we wouldn’t get any revenue off of it, but after the first month, we started seeing the first trickle of revenue. But it was really slow, and that’s okay. I expected that fully. So while I was launching that, I was contracting at the same time. I was freelancing, and that helped pay the bills while I was starting to launch the service.

Jack: Okay. Interesting, interesting. You mentioned that your initial pricing was at $3 per month. Did you eventually increase that or…

Anthony: Yes.

Jack: Okay.

Anthony: Yeah. What we did is—I can’t remember exactly. I think it was the last year. We went almost three years without changing the pricing on those. We did launch two additional tiers. So we launched a gold tier and a platinum tier, and those were right around the same time as the silver, and it was based on how many domains you had in your account. It still is today. But when we got through several years of this, we had enough knowledge and were about to know that we are providing a lot of value and we were undercharging for that value.

Jack: Okay.

Anthony: Now initially, I felt that the market would not bear the cost because people were so used to getting their DNS for free. It turns out that people were if you could give them something extra, and our extra was a beautiful interface, an API, and awesome customer support from people that really know DNS. So last year we bumped up the price for the 10 domains up to $8 a month, and then we bumped the price for the gold plan up to $18 a month and it was previously $10. So that’s the only price change that we’ve ever done. We left the platinum alone. We did re-introduce—and it’s still there—a bronze plan but it’s not directly obvious on the site. That’s only for somebody that wants one or two domains. We may not keep that in the long run because the reality is is that charging less allows more people to sign up, but it tends to be that the people who sign up end up costing a lot more because you have to provide technical support and things like that. So we have decided that right now we’re happy with the way things are and we’re focusing on other things. But then the price change on the bottom level tier was essential for us to continue growing the company.

Jack: Definitely. That makes sense. So besides reaching out to your Twitter followers, asking them if they’d be interested, if they would sign up, were there any other kind of specific techniques or strategies that you used when finding your first customers?

Anthony: Absolutely. One of the big ones that’s been successful for us from the early days and still is is going up to conferences, and either a, speaking. That’s the best situation. As a long time developer, there’s a lot of developer conferences. I love technology. I love developing software and I love speaking about it. So I would go out and I would go to conferences and I would either be a speaker on stage for a normal slot or I would sign up for lightning talks. Often I wouldn’t talk about the company directly. I would talk about something else. But once you’ve had that talk, afterwards you meet a lot of people, then you start to open the discussions there. And it’s sort of “Well, what do you do with this technology?” “Well, we use it to provide DNS domain services.” And all of a sudden they’re like “Oh that’s really neat! I didn’t even know you existed.” So that becomes sort of that intro. Another thing that I’ve done in cases where I wasn’t a speaker is I would go to the conferences and I would bring candy, usually local candy from France. I’ve lived in France for the last almost four years now. And so I would bring chocolate. Recently I’ve been bringing a candy that they make near where I live called Nougat, and at lunch I would sit with a group of people I had no idea, introduce myself, and then as people had finished their meal, I’m like “Hey, I brought some candy from France. Do you want to try it?” And they’re like “Oh yeah! Cool! What do I have to do to get this?” I said, “Nothing. I just want to tell you about DNSimple because we love you and so here it is.” And so I used that and it was very effective for opening conversations because that’s the hardest part. When you’re at a conference, the hardest thing to do is to just start that initial conversation. Once it’s started, it becomes much easier not necessarily to sell your product but to have an honest conversation with somebody. And if eventually that leads to a discussion about the work that I do and the product that I sell, that’s awesome. If not, then I still usually have a good conversation and that’s really important in the long run because people come back later and they go “Oh yeah. Anthony, I met him at this conference. I remember him. He’s a good guy. I need a new domain provider. I’m really tired of the one I have now. Oh Anthony. I remember him. He does that.” People will make that connection and say “Anthony brought candy or we had a good conversation with Anthony.” That builds the trust, therefore I’m going to give his service a shot and see if it’s as good as people say it is.

Jack: That’s a really smooth strategy. Something that you mentioned a little bit earlier was kind of how the domain name hosting market and industry has some different players. You mentioned the free players at the domain register level and then the bigger enterprise players. And you mentioned three things that have been really helpful in distinguishing DNSimple from both of those players. The great support and the great interface and the great API.

Anthony: Yes.

Jack: How did you come to determine that those three elements of your product were what you needed to have in order to differentiate yourself from these free players at the bottom and these big players at the top?

Anthony: So the way that I did is I looked at the registrar that I was using at the time and I said, “What is the exact opposite of this?”

Jack: Yeah, Definitely.

Anthony: And so that kind of informed me because a lot of the companies that are involved in DNS and domain registration have been around for a while. Their interfaces are outdated. Most of them don’t provide any API. If they do, you have to pre-pay or it’s just a lousy API or whatever. And if you try to contact their customer support, because they’ve been around for so long, they probably have an outsourced customer support where the first person you’re going to talk to, if you’re lucky enough to talk to somebody maybe a day or two after you start, won’t have that much knowledge and they’ll just try to say, “Well, have you looked at this particular help article?” That usually has nothing to do with it. And so I just took that and said I don’t want to be that. I don’t want to have to upsell. I want to be simple. I want to be focused on developers which was another thing that informed the notion of having a solid API.

Jack: Yeah, Definitely.

Anthony: The community that I was involved with and still involved with, the Ruby community and the software development world is very much in-tune with the idea of user interface and experience. So I think that also helped solidify that decision. And it just made sense to provide great customer support because I thought to myself, well, what is it that really frustrates me? How can I make that better for people? How can I actually do the right thing to help people get through this fear of managing their domain and DNS? Because a lot of people know that when they do it, it’s easy to make mistakes.

Jack: Yeah, Definitely.

Anthony: It’s easy to break your entire site when you do it, so I was like how can I be there for those people. And that was it.

Jack: Great, great. That’s fantastic. I mean the interfaces in GoDaddy and other old domain hosts are so outdated. The support is just horrible. But yeah, so that’s really fantastic that you’re differentiating yourself that way. I just have one more question for you which is what’s your number one tip out there to prospective entrepreneurs about how they can find the first customers for their businesses?

Anthony: Yeah. My number one tip is you have to use the tribe that you know, alright? You can’t just expect to go out there. And if your business is in an area that you don’t really have much of a community around, that you’re not part of that community, you’re going to have a lot of trouble. You’re going to have an uphill battle and it’s just going to take longer. So the point is that get into the communities. Find the communities and contribute to those communities beforehand and do it in a selfless manner. Think about helping the people that are in that community first, and then when you need them to help you, they will come back and you’ve already built that trust that you’ll be an authority in the matter. And that’s the most effective way to start getting those first 10 customers.

Jack: Great. That’s a great last tip. With that, that’s all I have for the interview today. So thank you again, Anthony, for taking the time to speak with me and share some of your advice and insights.

Anthony: It’s my pleasure, Jack.

Jack: Great. Have a good one.

Anthony: You too.

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