

building product, talking to users, and growing

oct 2, 2014

pre-requisites



have a lot of time on your hand

the n00b approach



- 1. build product in secret**
- 2. exclusive press launch!**
- 3. wait for users**
- 4. buy users**
- 5. give up**

problem



what is it?

how does it relate to you?

verify others have it

where to start?



learn a lot. become an expert.
identify customer segments.
storyboard ideal user experience.

what is v1?



minimum viable product
simple product positioning
this is not the hard part ...

first few users



you!

your mom, friends + co-workers

online communities, e.g. HN, reddit

local communities, e.g. mailing lists

niche influencers, e.g. mommy bloggers

cold calls + emails

press



**support@ very important
surveys: ok // interviews: better
quantitative: retention, ratings, NPS
qualitative: ask why, why, why
beware of honesty curve**

<insert graph>



build fast, but optimise for now

manual before automation

temporary brokenness > permanent paralysis

beware of frankenstein

s is for stealth, and stupid



**someone will steal your idea
there is a first-mover advantage
... just launch it already**

ready for a lot users?



learn one channel at a time
iterate working channels
revisit failed channels

key = creativity

types of growth



1. **sticky growth**
2. **viral growth**
3. **paid growth**

key = sustainability



good experience wins

clv + retention cohort analysis important

repeat users buy more and more

<insert graph>



WOW experience + good referral programs

- 1. customer touch points**
- 2. program mechanics**
- 3. referral conversion flow**



simple: $clv > cac$

advanced: $clv_{ijk} > cac_{ijk}$

payback time + sustainability

Creative	CLV	CPC	Conversion	CAC	Good?
Ad #1	\$300	\$10	10%	\$100	YES
Ad #2	\$300	\$25	10%	\$250	YES
Ad #3	\$300	\$50	20%	\$250	YES
Ad #4	\$300	\$100	25%	\$400	NO

paid growth - examples



sem

display ads

facebook ads

groupon / daily deals

street marketing

b2b sales

direct mailers

good vs. bad business



$$\begin{array}{rcl} \text{total sale (net revenue)} & +\$ \alpha & \\ \text{variable cost of sale} & - \$ \beta & \\ \hline \text{gross profit} & \$ \gamma > 0 & \end{array}$$

<insert graphs>

the art of pivoting



- 1. bad growth**
- 2. bad retention**
- 3. bad economics**

<insert graph>



Drizzy
@Drake

Following



The first million is the hardest.

 Reply  Retweet  Favorite



T. Boone Pickens
@boonepickens

 Follow



The first billion is a helluva lot harder RT
[@Drake](#): The first million is the hardest.

 Reply  Retweet  Favorite



Drizzy
@Drake

Following



[@boonepickens](#) just stunted on me heavy.

 Reply  Retweet  Favorite



**how do you get people to switch
away from a product they're
comfortable with?**



how can a founder best get acquainted with an industry they know nothing about?



**how are you scaling homejoy?
any guidelines for scaling a
marketplace business?**