

Awesome Startups

Chapter 1 - How To Get Your First 1,000 Users

Author: Vinicius Vacanti

Source: <http://viniciusvacanti.com/2011/02/08/how-to-get-your-first-1000-users/>

The good news is that it's easier than you think to get 1,000 people to try your site.

The bad news is that it's really hard to get those people to turn into users, users that create an account, users that come back repeatedly and users that tell their friends about your site.

This post is about how to get 1,000 people to try your site so you can find out what isn't working, iterate and keep trying to build a site that people, other than your mom, actually come back to. I'll write a future post on how to retain those users.

Get Yourself a Domain Name and a Splash Page

You should set up your splash page today. Not tomorrow, today. In terms of the domain name, it's okay if you don't love your domain name; you can change it later though it's always easier to pick a good one from the start.

Once you get your domain name, you should use a service like unbounce to create a simple splash page. You don't need a programming background to create this page.

The goal of the splash page is to collect email addresses from visitors. How do you do that? The splash page tells a user very clearly what problem your site will solve for them. If the user submit their email address, you'll give them early access to the site when it's ready. For Yipit, the splash page said: "Get All the Best Daily Deals in Your City". For Tumblr, it's "The Easiest Way To Blog".

Those email addresses become your early test users. When your prototype is ready to be tested, you'll email a portion of these users and get them to test-drive your prototype. You'll iterate and invite more users from your list till the product works.

Now, how do you get people to visit your splash page?

How To Drive People to Your Splash Page

There is no shortage of ways to get people to your splash page. The following are things we at Yipit did and things we've seen our friends do:

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Add Link to Your Email Signature. Seems obvious, but most people don't do this. You should have your value proposition at the bottom of your email with a link to your splash page. For us, it was: "Get All the Best Daily Deals in Your City: <http://yipit.com>"

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Add Link to All Your Web Profiles. Add a link to your splash page on your Facebook, LinkedIn, Twitter and every other account you have. Now you might see why it helps to be a high profile social media user.

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Create a Demo Video. Even if your prototype isn't ready, create a demo video of what your prototype will be doing. Dropbox did this and their video appeared at the top of Digg giving them 100,000 email addresses wanting access to their site. You can also add this video to your splash page to help increase conversion of people submitting their email addresses

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Be Full Entrepreneur. When I went to tech events, friend's drinks, family gatherings, I would pitch everyone on Yipit. Painful, yes. But, it got me good at pitching Yipit and those people would go home and sign-up to check it out.

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TechCrunch and other tech blogs. It will be hard to get press for your site if you can't give the blogger a prototype to use. But, if you do have a working prototype, this the easiest way to get people to your splash page. For all three of our projects, 140it.com, UnHub.com and Yipit.com, we were able to get TechCrunch to write about us just by submitting it to through their news submission form. If you can give the bloggers some beta codes for their readers, that makes it more likely they'll write about your

site. Just make sure you're ready for it. If you have a very good demo video, they might be willing to write about you without the prototype.

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HackerNews. HackerNews is a great community of entrepreneurs who are willing to give you good advice on your startup. You need to have a working prototype and let them look at the site directly, though. Here's some great advice on how to submit to HackerNews.

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Facebook Ads and Google Adwords. This is actually really hard and often pretty expensive. We were never able to really pull this off despite several attempts.

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Start a company blog. The blog should be focused on providing helpful advice on the problem you are helping consumers solve. Kissmetrics, a startup focused on helping websites with analytics, runs an excellent blog on helping startups think through user acquisition. This strategy involves a lot of work so only do it if you have a really good idea for the content you want to create and think that users will appreciate it.

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Your list will get stale. The longer you wait to invite people to your prototype, the smaller the percentage that will respond to your invite email. You can try to keep the list active by sending them occasional updates on the product.

* I recommend you give the users a survey after they submit their email address where you collect information from them regarding what they are hoping your site will accomplish for them. I have heard good things about surveymonkey

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Encourage users to tweet, share on facebook, or email your site to their friends. One way people have done this successfully is to promise the user earlier access to the prototype if they invite 3 friends. Now that you know how to get people to your site, I'll write a future post on what you need to do to make sure those 1,000 people actually stay on your site.

If you have employed any other techniques that have worked well, comment below and I'll add them to the list.

Chapter 2 - How AirBnB Became a Billion Dollar Company

Author: Dave Gooden

Source: <http://davegooden.com/2011/05/how-airbnb-became-a-billion-dollar-company/>

Disclosure 1: I work in the vacation rental industry. While my company specializes in regional, recreational vacation homes, not metro rentals - there is an obvious conflict.

Disclosure 2: This is an opinion piece. This post is just my opinion along with some evidence to support it. Judge for yourself.

Yesterday AirBnB announced that they raised \$100M at a \$1B valuation. This is a huge, huge accomplishment - but a lot of entrepreneurs are probably asking how they did it. Was it their awesome design? Excellent idea? Was it their uncanny business acumen? Just dumb luck?

My Answer: Craigslist Spam!

I believe AirBnB used multiple gmail accounts to spam craigslist and grow their site to a one billion dollar valuation.

Back story: A year and a half or so ago I was looking into the amazing growth of AirBnB. As disclosed above, I work in the vacation rental sector and when a competing company comes on my radar, I always do my due diligence. In my AirBnB research, I didn't find great SEO results or a gazillion followers on Twitter or any massive advertising spends on Google or Facebook. I looked everywhere but I couldn't find any rational or traditional reasons for this type of growth. All of these AirBnB users can't be coming from tech blogs, can they? Word of mouth? I didn't think so. After thinking on it for a day or two, only one possible answer popped into my head: "These guys are black hats!"

Following my hunch, I started snooping around the place that all good black hats go to make money and get free traffic - craigslist. Craigslist is one of the few sites at massive scale that are still easily gamed by talented and not-so-talented black hat marketers. It is a literal gold mine for black hats that learn how to exploit its millions of users and curtail its terms of service. How do I know this? I was once a black hat myself. It isn't something I am proud of - but it was a very important and very educational part of my journey (I will discuss it in a later post).

Please remember, I am not judging anyone here, I am just reporting my findings because I believe it will help other entrepreneurs.

Back to my hunch. To prove my theory I needed to setup a "mouse trap" on craigslist, so I posted a few vacation rentals using craigslist's hidden (anonymous) email address option and I made sure to setup the ads to clearly state that I do NOT want emails from commercial interests. A couple of hours later - BOOM! As expected, I received an email inquiry from one of my cl listings...but it wasn't from AirBnB. The email I received was from a "young lady" telling me about the upside of AirBnB.com (growing site, growing traffic, etc..) and how she really liked my property and wanted me to check out the site. She was nice enough to included a direct link with no tracking code to AirBnB.com's homepage. I was 99% sure that the email proved my theory and uncovered AirBnB's black hat supply-side growth strategy...but I needed to be 100% sure.

Again, the email I received was from "girlsname04@gmail.com," not AirBnB. Maybe she was just a girl that was totally excited about AirBnB and I didn't uncover anything. There was only one way to find out so I decided to push my "investigation" to the next level. It was time to dig into the closet and pull out my old, faded, dusty black hat. It still fit.

I spent the next weekend building a new website, rounded up some black hat software (craigslist email harvester, mass mailer) and emulated the marketing initiative that I believed AirBnB was using (elementary stuff).

After harvesting email addresses (I only grabbed real email addresses, not anonymous craigslist addresses) I did one email blast to people that were advertising vacation rentals on craigslist. I skipped over the other categories that are directly related to AirBnB's business model because they

didn't fit with the test site I built. My results: 1,000+ vacation rental owners signed up and listed their properties on my test site.

Now that I had 1,000 new members, I took it upon myself to do them a favor and advertise their vacation rentals on craigslist. The first week I added one (1) listing to craigslist and received the following email within 12 hours:

Week two I upped the ante and advertised two (2) listings on craigslist. I received the following emails:

My findings: After posting four ads on craigslist in three weeks, I received five identical emails from two young ladies who are raving fans of AirBnB and spend their days emailing craigslist advertisers. When you scale a black hat operation like this you could easily reach tens of thousands of highly targeted people per day...and quickly gain 60,000 members on the supply-side, which again, is the hardest and most important part of growing a market place. I am pretty sure that AirBnB isn't the only company that has used this strategy/technique, but I think they are the first to turn it into a one hundred million dollar investment at a one billion dollar valuation.

I know that by expressing my opinions here I am exposing what is now a billion dollar company (we are talking YouTube numbers here)...and I might piss off some powerful people by sharing my beliefs. I am shedding light on this information only because I believe it will help other entrepreneurs figure out what's right and what's wrong when they are at the early stages of growing their company. Some very famous investors have alluded to the fact that they look for a dangerous streak in the entrepreneurs they invest in...and while those investors will never come out and tell you what they mean, this kind of thing is probably what they mean.

Lastly, I am not saying that these black hat methods are the only thing that led to their success. I believe this strategy played a vital role in the growth of AirBnB, but these guys are obviously very smart and they work their asses off, too.

Edit: I removed the domain name and url of the test website. It has been dormant for more than a year. It was a weekend project that offered free listings and no advertisements.

This has gotten a lot bigger than I expected or wanted. My intention was to pull back the curtain on a successful startup and give some other entrepreneurs a sneak peak at the play book they were using. That's it.

OK. Since this story has finally died down, I am going to do what any smart marketer would do...take advantage of the incoming one-way love this article received.

If you are interested in what I do, I run a lake property website and also work with land for sale. My company recently opened two offices (one through acquisition). The first one specializes in Brainerd, MN real estate and the second specializes in Hayward, WI real estate. We also dabble in a couple of other areas including commercial real estate, Minnesota resorts for sale and Minnesota vacation rentals & Wisconsin vacation rentals. That is all.

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