Your First Customer

Start a business that makes money

by

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What is the point of this book?

The Good News: Launching a business has gotten easy.

With an abundance of programming libraries on the web and the wealth of documentation available, anyone with an internet connection can launch a web based business. It no longer takes connections or capital to start your very own business - this is a great time to be an entrepreneur.

The Bad News: 99% of the work still remains.

The difference between a web app side project and a real business is paying customers. Finding customers isn't easy especially without any connections or capital.

The point of this book is to give you a guide to finding your first customers. This will help you establish your business, put money in your bank account, and help you grow your business to infinity and beyond!

Why am I writing this book?

This book was written in an effort to help my fellow entrepreneurial web friends start making money with their web apps.

I'm tired of seeing amazing design and coding talents on a web app go to waste after countless hours simply because it didn't get enough "user traction".

I'm tired of my friends focusing all their energy on finding investors so they can build their products. Customers are the best investors because they will give you advice on how to improve your product, won't take any equity, and they can't tell you what to do.

I'm tired seeing my friends launching six side projects over a two year period and still not getting results.

This book was written in an effort to help my fellow entrepreneurial web friends start making money with their web apps.

Who should read this book?

This book is NOT for you IF:

You already have a million customers and are cash flow positive.

Congrats by the way.

You think your app will go viral and you don't need to focus on finding customers because you think they will automatically find you.

This book will waste your time. Good luck to you.

You are focused on solely raising investment and will hire a customer acquisition expert once you hit "Product Market Fit".

The best expert is you. If you don't know your customer now, you never will.

This book IS for you IF:

You want to make money.

You want to start a business that stays in business.

You like customers that pay you.

You launched a web app and you are ready to start finding customers that will take your business to the next level.

Just think of the possibilities

The possibilities are endless for you if you can find customers. Imagine a world where you wake up and work on your own business. The only people that you report to are your customers, and they pay for and love the web app you built for them.

I'm excited about all budding entrepreneurs who want to start a business. It has never been easier to get your own thing going. You really don't need a ton of investment, partners, or even a great idea to get started. All you need is the understanding of who will give you money for a product or service that you can offer.

It really is possible to achieve success as long as you have an understanding of where and how to find customers. This book will help you get started on your journey to finding your customers.

About Rishi Shah (written by me)

Hi, I'm Rishi! Thanks for reading my book. Here is a little bit about me so you know where I came from, what I did, and where I am now.

I had to have my own business

I knew I wanted to run my own business since I was 6 years old. I had dreams of starting my own candy shop empire. My dream was to launch franchises nationwide with a variety of candy options and a secret healthy section for obese people.

Something amazing happened

Along the way something called the internet happened. I started my first website when I was 14 on geocities.com, the first site to make it easy to build your own website without any coding knowledge. I would spend hours working on my site adding jokes and random things about myself. I was fascinated by all the different people who would visit my site from across the world.

Extremely thirsty

All through high school and college I thirsted to start my own business. I had a number of side projects that I worked on but it never led anywhere. I started a Joke website that had thousands of daily visitors with a little ad revenue but after getting hacked I decided to shut it down (mainly because the site wasn't backed up). I also created a concept called HapTap – a physical keyboard filled with smiley faces that kids and young adults could have fun with when chatting online.

Selling TV's

In high school I worked as a sales guy at Sears. This was probably the best job I ever had. All the older sales guys thought I was super annoying because I would go above and beyond to make a sale. I quickly figured out that most TV's were sold after the customer saw it a few times. This included 6-10 follow up letters and phone calls to make the sale. Sears almost always had higher prices so if the customer did any sort of comparison shopping I'd lose the sale. Luckily a majority of the customers would buy from me just because I made it easy… I was always around nagging them. I also had an 80% success factor in selling the premium insurance policy since I built a relationship of trust with them.

Corporate America

I had no idea how to start something or even what to start, so I did what anyone would do, I got myself a corporate job at Accenture right out of college. For about 1 year I thought it was way too hard to start something of my own so I gave up on the dream of running my own business and instead thought it would be easier to launch my own project inside of Accenture. I created numerous pitches and would pitch it to every partner I could get a meeting with. I got really good at setting up meetings with top management but unfortunately they all said no. The only good outcome out

of all this was a small promotion and an understanding that no partner wants to talk to you unless you help them make more money.

Missed Accessories Software

About a year into Accenture I decided to start something. Every night I would come home and brainstorm like crazy. My good friend Anand Chaatpar already had a business so I was able to bounce ideas off him. The idea he liked the most was called Missed Accessories Software (MAS) - a way for companies like JCrew and Gap to cross sell you items over email based on past purchases. We both thought this idea was the future of ecommerce for large retailers (we still both agree that it still is). I created a brochure and reached out to the big brands - which meant sending 3,000 personalized emails to CEO's and VPs of companies like REI, JCrew, Gap, etc. I would email them a 3 line email and setup phone meetings with them. Luckily I got a few meetings but none of them liked our $500k price tag.

Flying Cart is born

I took the Missed Accessories Software brochure (I created it using Microsoft Word with the help of a snazzy template) and went door-to-door calling on small retail businesses and asking them if they would be interested in purchasing MAS for a smaller price tag ($100/mo). The bad news was that they weren't interested. The good news was they weren't interested because they didn't even have an online store yet! I told them that I was good with stuff like that and I would help them get going with their online store.

Getting lots of users

I told our first few customers that I would help them out for free in exchange for a 3% cut of all their sales. The customers loved this model. I got a team together and we built an early version of Flying Cart. I was able to sign up about 400 beta users (you will learn how to do this in this book). Unfortunately the business model didn't really pan out. It turns out that taking a cut of sales from a new online small business doesn't add up quickly.

Funding the business

During my time at Accenture I saved every penny: I lived at home, took public transportation, only had Subway for lunch and was a total mooch on my family and friends. This helped me save $20k in 1.5 years to fund Flying Cart.

Talking to Investors

I spent a lot of time reading TechCrunch and thinking "real businesses raise money". So I went off and tried to raise money. The best investors said "No" quickly and didn't waste my time. The crappy investors wasted a lot of my time and money by being interested but then handing me really crappy terms - like $100k for 80% of the business.

The lowest of the lows

Since I was funding the entire business with my personal life savings, money was quickly running tight. I wasn't paying myself but I was paying others on the team. We weren't making any money and I had to keep things going. This is when I decided it was time for me to get a job so I could keep the business rolling.

Changing the model

We were super lucky because in our market people were willing to pay for an easy to use online store that a novice user could run all on their own. We quickly changed our model from a 3% transaction fee to a low $12 monthly fee, and this change ramped up enough revenue to sustain ourselves. After about 4 months I no longer needed a job to fund the business and I quit.

I want to get better at finding customers

This book isn't just for you. It is for me. I need to constantly remind myself what is important. It is really easy for me to get distracted by the press constantly glamourizing investment funding and user growth. Luckily I have friends that have taken funding and had massive user growth and they are able to constantly remind me that the only blissful thing in the world is having paying customers. Investors will act like your boss and free users are extremely fickle. Finding paying customers is THE shortcut to running a successful business.

Beautiful design, writing clean code, updating your social media profiles, going to conferences are all great - but it means absolutely nothing if you don't have paying customers.

So that is my story. I hope you understand why I'm so passionate about finding paying customers - it helped me unlock the keys to start and grow my business.

About My Businesses

Flying Cart - create an online store

Flying Cart is my pride and joy. I have been running this business for 6+ years now. It is a dead simple way to create an online store. Over 100+ ecommerce store builders exist in the market but we are the simplest, easiest, and fastest way to start your online store. If you have a physical product I strongly urge you to check us out. We have powerful tools running in the background that will help bring you new customers and our easy to use store management section will save you lots and lots of time. This way you can focus more on finding customers and less on the technical details.

DigiOh - sell digital files with just a link

You used DigiOh to download this eBook. If you sell or distribute digital files we got you covered. We have the easiest tool on the planet to help sell, track, and optimize the way you can distribute your digital goods. All you need to do is upload your product on www.DigiOh.com and we give you a link that you can use anywhere to have customers buy your digital goods.

Getting More Awesome

This is my public journal filled with notes on how to find more paying customers. I strongly urge you grab the RSS feed and sign up for my newsletter. I'm constantly updating it and if you leave questions in the comments I will answer them.

Grab The RSS Feed here

Sign up for my newsletter here

As you can see my professional life is completely focused on helping others start and grow their business. If you give me a chance I promise that your business will be better off with paying customers.

Stay focused on getting customers

Launching a business on the web is a lot of work. But remember there is only one thing that matters – $$Cash$$. You need to bring in cash as quickly as possible so you can keep running your business.

It is funny how us web people launch a business and get all excited about writing and building the app. It is easy and fun to think of features and imagine all the cool things you can add to it. You need to stop that and start thinking about getting customers. Start imagining all the cool and fun things you can do to get customers.

For some reason when it comes time to actually start promoting the app and getting customers the excitement is gone. It takes work to get customers just like it took you a ton of work to write the app.

Every morning you should wake up and know that time is running out on your business. Every day you are working on features and you don't have any customers is a day closer to the inevitable shut down of your business.

A client of mine had one of the coolest apps. He said it took him about 9 months to build . He had 600 downloads, all in the first month. Now, the app only gets downloaded when Apple features him in the app store. He doesn't think there is a "Market Fit" for his app and is going back into brainstorm mode to build another app.

Does this sound familiar to you?

Naturally, I had a few questions for him. Here is how the conversation went:

Me: Have you contacted a potential customer to see if they will buy your app?

Client: No

Me: What have you done to get the word out besides Apple featuring it?

Client: I push updates out so my traffic spike goes up a little bit and creates another potential opportunity to get new clients.

Me: How are you planning on getting new customers?

Client: I was hoping people would just learn about it through the app store.

At this point I was pretty frustrated. My client didn't talk to a single potential customer and he is already thinking he has to move on. He thought magically his app

would somehow be discovered on Apple's app store among tens of thousands of other apps?

The problem is I hear this a lot! Launching an app is the easy part. Actually getting users is what's hard. Web and mobile apps are a dime a dozen. As it gets easier to build an app, it gets harder to get discovered - so you can't just rely on others for being discovered (like using Apple and Google).

The time has come for you to become obsessed with sales. You can either get your business making money now, or you can keep brainstorming new ideas and killing them off for the rest of your life.

Selling is a skill

Understand that selling is a skill. It takes time to get better at getting customers. You weren't born with the ability to program? So why should you be born with a natural ability to sell. The best sales guys go to conferences, retreats, read sales focused blogs, just like how tech people go to tech related conferences, retreats, and read tech related blogs.

What have you done today to get better at selling or making money?

Become obsessed with sales

"How long will it take for me to get sales?"

Ask yourself how long it took you learn programming or another skill you have gotten really good at. This is how long it will take you to get better at acquiring customers.

In order for someone to truly learn the art of acquiring new customers you need to become obsessed with it. Every morning you should wake up and think about getting new customers. You need to know everything about them and why they want to use your product.

Analogy: Imagine your customer as the hottest person in the room and if you don't get them to marry you, you will be forever unhappy. In order to woo this hot person, you first need to understand what their likes and interests are. I like to call this "customer dating".

Sales are important to your personal motivation

It is really hard to keep working on a product with no customers. Business has some major low points. You will be faced with financial crises, team members will leave you, and hackers will try to break you. You will give up on your web based business unless you have paying customers.

Trust me on this. I have been through all of it. The only thing that kept me going was the fact that I needed to keep the business alive to pay my own bills! I would be homeless without my customers.

There comes a point where your employees and co-founders will not care about equity or the cool perks you give them because it will become meaningless. All they will care about is progress, and mainly the progress towards a bigger paycheck.

You need to get paying customers into the door or you will give up on your own business.

What is the most important thing you have to do today?

I ask myself a question every morning: What is the most important thing I can do for my business today?

My answer 70% of the time is to bring in more money, which meant bringing in new customers or retaining old ones. This helped me figure out my priorities on what to do first. I spent every morning emailing potential new clients on a daily basis because that was the most important thing that I could do. It wasn't tweeting, going to conferences, or mocking up new features. It was direct contact with potential or existing customers.

I urge you to ask yourself this question before you turn on your computer and get distracted with the world wide web.

Distractions

You will be constantly bombarded with distractions. Pundits will tell you that you need to start tweet-ing and facebook-ing everyone you know to get customers.

Remember to stay focused on getting customers. If posting a new status everyday leads to customers by all means please go ahead and keep updating your status. In my experience creating a Facebook page or tweeting will not lead to your first customer. It will eat up your precious time.

Updating your social media profiles can make sense for your company once you have moved past your first customers and onto hundreds and thousands of customers. This can help with customer retention and collecting customer testimonials.

I strongly urge you to only pursue social media if you have a strategy behind it that will bring you customers.

Tech Conferences are another set of distractions. In most cases you will just meet other programmers and this won't lead to new customers. Tech conferences are fun to go to but can be a huge money and time waster. You need to go to conferences where your customers live. For example, invest in a booth if your customers live there.

A client of mine goes to five industry specific conferences a year and gets all his customers this way. He took a chance since the conference was a $5,000 expense and he was completely bootstrapped. Since he was able to sign up 30 customers at the first conference, he went on to completely optimize his entire conference experience. He got a bigger booth, has 2 sharp looking sales people, a nice looking banner, 3 WiFi ports of his own (because conferences usually have pretty crappy internet) and a credit card machine to do instant sign up on site.

This client failed at his first eight attempts on finding his customers. He tried it all, phone calls, flyers, SEO, SEM, etc. but he finally figured out where his customers live and now he has a six figure business.

Don't launch anymore features, until you have to

If you have already launched your product, you should be spending 90% of your time trying to bring customers in the door. 10% building features.

 "But my customers are telling me that in order for them to pay, I need more features."

My answer to this is you haven't spent enough time talking to them and selling your product to them. Customers (and people in general) have a hard time saying "No". So instead of saying "Yes" they give you reasons on why they won't use your product.

Usually I get this question from business owners who haven't spent any time cold calling or emailing potential customers. In most cases they have talked to less than five potential customers, and maybe one customer told them that they need more features.

Five customers aren't enough! You need to be contacting at least ten potential customers on a daily basis. If you hear the same features are being requested by every single person you talk to - then maybe you do need those features to sell, but at least now you have a reasonable sample size, and when you launch it you have people to instantly buy the product.

Most customers won't buy from you right away

Love at first sight is a hard thing to do during customer dating. Before they hand you money they want to get to know you. They want to make sure you are running a business professionally and can handle their needs. Since you are just starting out you will need to be persistent and a nice person to them (in general you should always be a nice person to your customers).

This can be done automatically by emailing yourself timed reminders. I have a completely automated email system that helps me stay in touch with customers and potential customers. I use iContact auto-responders and Digioh.com for people that have opted in and asked for more information, and followupthen.com for easy email reminders to prompt me to email them every few weeks or months.

Send them emails on how they can make more money or save time by using your product.

Your time is equivalent to paying rent

We are lucky to be in a business where we have minimal overhead costs. Imagine if you decided to open up a restaurant and had to pay $3,000 in rental fees alone. You wouldn't be able to keep the business going for long if you didn't bring in customers from day 1. You have to break even on your expenses.

Treat your time like you are paying rent. You are losing money every minute you spend on your app and not acquiring customers. If you went out and did consulting I'm sure you could command a high hourly rate. If you don't break even on your time soon then you won't be in business...just like a restaurant.

There are no miracles

There are 0 miracles in business, so don't count on them. Learn how to find customers or go get a job.

Investors will rarely step in and help you find customers. App stores won't keep featuring you. They will stop promoting once the next shiny thing comes out and you will be on your own for new sales. Consultants and expensive MBAs will work half as hard as you and won't be able to sell your customers as great as you can. You need to become the salesman of the year for your own company.

The only thing you can count on is your ability to find customers, so you better become amazing at it.

Summary

This rest of this eBook can be summarized in 3 easy to follow steps:

1. Figure out the right customers for your product

2. Contact those customers

3. Ask them to pay for it

BAM! No need to read further. Feel free to read further if you'd like me to expand on the three points above.

For any web-based business, the hardest thing to figure out is how to get your first customers. If you follow my guidelines exactly, I guarantee you will have 10 paying customers.

WARNING: the steps detailed below might take some sweat and dedication; however, it is a worthwhile investment for getting your first customers.

Web Stuff is Tricky

Launching a web-based business can be tricky. Many web entrepreneurs think their products will take off on their own. While 0.0000000001% of web products actually do find instant success, the rest require hard work in sales and marketing to gain momentum. Remember, the businesses with paying customers are the ones investing time and energy in getting their product out to the world and into the hands of paying customers. It's cyclical.

Who is your perfect customer?

To figure out who your customers will be all you need to do is answer one question: Who will buy your product?

An easy way to determine who will buy your product is to start off by asking a few questions:

Situational: Will they buy your product based on a specific situation or an experience they are having right now?

For example your customers could be just getting married, starting a new job, buying a home, experiencing back pain.

A client of mine runs a trip itinerary website where clients can get a custom "insiders guide" for their vacation. He was able to pin point that most of his customers start planning their vacation a few days after they book their flight. Because of this his was able to selectively advertise to people after their flight booking.

Age and Gender: Is your product for a specific age range or gender?

Another client of mine runs a body fitness training camp. He decided he wanted to focus on women right after they had a baby. Because of this he was able to target them on new baby parenting websites, niche mailing lists, and stores.

Location: Where are your clients located?

Did you know that 60% of all searches on Google are local. People are searching for dentists, places to eat, homes to buy, and more. If you know what physical address your customers live at it has never been easier to target them.

Location on the web: Where do your customers live on the web?

If you know where your customers hang out you can easily find avenues to reach them. It can be as simple as launching a mini Google Adwords campaign, sponsoring a niche blog, or doing a physical mailing campaign.

Who influences them: Who do you need to talk to, in order to get them to buy?

Almost always I turn to Google to do research before I buy something. I read customer testimonials and look for reputable blogs to figure out if it is the right solution for me. If it is a tech related issue I turn to my favorite tech people on my team.

One of my clients understood the power of testimonials for his book launch, so before he launched he gave a handful of his friends a free account if they would write a review on their blog. This led to more searches of his brand name on Google and an increase in sales.

Identify the Perfect Customer!

Once you've identified your perfect customer you can really hone in on your branding and marketing strategies to drive new customers.

The more you know about your potential customer, the stronger your marketing, advertising, and sales copy can be.

For example which tagline do you think sells better?

Tag line #1: "The best fitness program money can buy. A 90 Day training program to get you into shape!"

Tag line #2: "Lose that baby weight. Get the figure you use to have in 90 days or less. This is the ultimate program to get back into shape after birth."

If I'm a new mom and I want to get back into shape, it doesn't really matter what other programs offer because no one else offers such a targeted program for my needs. It is the best fit for me.

Take a guess at what you think your perfect customer might be, and reach out to your demographic and ask if they will buy your product. Pick up the phone or send an email, and contact anyone you know in that demographic - use your own personal rolodex - friends, family, and co-workers can be included if they are in your target demographic.

If your first guess of your perfect customer is wrong try again.

What? I have to reach out to people? ... YES!

Tip: If you are asking for feedback via email try to keep the email under three lines of text. The primary purpose of this email is to get their buy-in and support. Once you receive a reply, send a longer email to describe your offering.

Some of my past students have told me that asking people they know can be extremely intimidating. While other options exist, such as posting ads on Google or Facebook to get data, it won't give you the level of interaction with your customer base that you would want and it tends to be more expensive. Take the leap!

Let's Find The People Who Will Give Us Money!

This is my favorite step - finding potential customers.

Start by brainstorming the different places where they might be found. For example, if I were looking for web designers, I would take the following steps:

1. I would do a quick Google search on "Web Designers"

2. I would go to Meetup.com to see if I can attend a designer meetup

3. Then onto Craigslist to see if there are any designer services offered

      a. I would also post a message on Craigslist asking for help from designers

4. Next I would look for designers on Twitter, Linkedin, and Google+.

Leverage the Internet as much as possible to find your customers. Don't be afraid of cold contacting people… you will be surprised at how receptive others are. Remember people are looking for a way to make their life better. If you can do this, they will want to hear from you. So don't be shy, contact them and start making their life better.

Thanks to Google we can pretty much find out where our customers live on the web. Be advised, if it is a super niche topic like "bamboo TV stands" you will need to dig deeper and research the search results on pages 1-15. Once I know where they live, I can plan how to best connect with them. Some will have a contact form, so a well crafted email may be all you need.

Another way to reach out to potential customers is simply buying their physical addresses off InfoUSA - you can give them a call and they will help you find your demographic. I suggest only buying addresses in your local area at first, so you can go meet with your potential customers. Once you have the addresses create a flyer and make the call-to-action your phone number. If they respond, setup a face to face meeting but remember to tell them about you and your product first.

My Story: Originally I thought Flying Cart's customers would come from small businesses with retail stores. I put on my shiny shoes and my one-and-only suit every day for an entire month, and walked into 100+ Chicago stores asking if they would use Flying Cart. I was extremely frustrated with this process. After many "No's" I changed my approach. I invested in flyers and bought a 1,000 person mailing list from infousa.com. The list cost me $0.19 per address + $0.45 per mailing (printing, mailing and bulk mail stamp using PrintingHQ.com). After that mailing campaign we got 3 people interested. I needed to break even on this campaign, so I decided to charge a one-time consulting fee of $999 to build their store on Flying Cart.

I tried the flyer idea 10 times in various ways by testing the copy and format. I broke even a few times and lost a couple hundred bucks on the rest. I decided to rule this out. The flyer route can work, but it's most effective in the masses. 1,000 mailed flyers isn't a true test. A true test is 250,000 flyers. After learning from months of effort, I realized search engines were the best place to find customers - in our case those people searching for an easy way to create an online store.

Super Side Story about Flyers: George Mosher - the guru when it comes to snail mail - started a catalog company 30+ years ago selling office furniture. He would buy company addresses and send catalogs filled with office furniture to 250,000 addresses. Once he got the order he would call up the manufacturer and have them directly ship the order. George's company would take a cut off the top. George kept growing the business until one day he sold it for $100 Million ... and guess what? He owned 100% of it. He started the entire company on a SBA backed loan of $50,000. Mosher would send anywhere from 10-25 catalogs before a company would place an order. He would stack 25 catalogs next to each phone for his sales team and tell them "Here is all the money we invest in each phone call... make sure you treat them like a king because they are worth it."

Now that we know who to contact, let's start asking questions to figure out if they will buy.

Will you buy my product? I promise awesomeness!

Asking questions to figure out if they will buy your product or service.

Question 1: Will they buy it, if so… why? If not, why not?

Not everyone will buy your product. The key is to learn why some will and why others won't. 140 people is an ideal sample size for determining if you have a viable product. It is critical that you talk to them. Try to contact 10 people right now (seriously, stop reading this and go do it)! An email survey will not do; they are simply too impersonal and you won't get accurate responses.

Bonus points if you search for potential customers via Google Maps and give them a call. Google Maps is an awesome resource - you can search for businesses with keywords like "Haircut", "Home Insurance", "Computer Repair" and their phone numbers and addresses are visibly displayed.

Side Note: Remember we are NOT giving out things for free. Doing so will greatly skew our results. If you are interviewing friends and family, don't be afraid to try making a sale. If they don't like your product, they won't buy it. Charging people is raw hard evidence that the public will buy your product. A 7-day free trial is okay if you need to prove to them that your product works for them.

"But I don't want to contact a bunch of random people!"

I know it is very intimidating. If this thought scares the pants off you, you can revert to other options; send out flyers and place Ads on Google and Facebook and see if you can get customers that way. Be advised, this process can get very expensive and will not provide as much customer insight as actually talking to your customers.

Here is a sample email template you can use to get in touch with people you already know:

Hi [FIRSTNAME],

It was really wonderful meeting you a few months back and talking about XXX.

I am starting a new business called [insert-your-website-link] and I could really use some more of your helpful advice.

Are you free this week to chat on the phone for a few minutes or possibly meet up at a coffee shop near you?

Thank you.

Your Name

Your Phone Number

Your Email

Your Website

Question 2: What are the top 5 websites or blogs they visit?

This question will help us figure out the places we should target. Do they live on specific forums, random niche websites, Google, specific trade journals, etc? This will help us focus our press and blogger outreach efforts.

Here is an example of the top 7 websites my customers live on (besides Flying Cart and their own stores)

• Facebook

• Google

• eBay

• Etsy

• Twitter

• Studded Hearts

• Swiss-Miss

• KnockKnock

• PixieMarket

- Apartment Therapy

- Design Sponge

You will notice that the first 3-4 sites are pretty generic. It becomes more interesting as you make your way through the list. This is a good exercise to remind yourself that there are a lot of random blogs and websites that are unbeknownst to you.

If you have a website and you are generating some traffic, I suggest simply asking them a question like "How did you find out about us?" when they signup. I've had the best success by making this an optional question in the signup process and allowing them to enter in anything they want. This question is crucial for my business, it helps me figure out which marketing efforts are working and which aren't.

Question 3: What are your customers currently doing to achieve the results that your product offers?

If your potential customer is using a competitor's product, ask them how they found that product. If they Googled it - what word or phrase did they Google? If they found it elsewhere - what site, store, ad? And most important of all, why did they choose to buy it?

The last question will help us figure out the major benefits and how to position your product or service. People don't buy features, they buy benefits. Case in point, Victoria Secret does not sell underwear, they sell sex appeal.

At Flying Cart, customers were already online but were extremely frustrated with their current online store - they were using open source versions like Joomla or OSCommerce and were unable to make any updates or add products. The benefit we were then able to offer was giving them something as easy to use as email.

If you are selling a service like computer repair, your client may simply be unable to fix their current issues. Figure out what problems they are encountering so you can reposition your brand to address their issues. For example, if they do not know how to install an anti-virus program, then your brand can be "We install anti-virus software and get rid of those annoying pop-ups" rather than using something generic like "We will fix all your computer problems".

If you are selling a physical product that serves a specific purpose, such as a blender, then identify the customers' issues with their current blender. You can position yourself as the "easy salsa maker" (e.g., magic bullet).

Odwalla Case Study: Instead of being just another juice drink full of sugar they branded their juice titles with names like "Heart Health" - this makes me feel healthy while drinking it.

The Price Is Right

It is time for you to position yourself in the market and determine your price.

Are you selling a high-end product or is it a lost cost provider? Figure out how much you are going to charge. Starting your price low isn't always the best idea. Being someone that has grown up around the web I always expect things to be free. Don't fall into this trap. There are a ton of people who pay for services, products, and apps.

Do a Google search of what you are selling and see what your competitors are charging. Can you sell your product for cheaper and be the low cost leader in that market (similar to what Walmart does)? If not, try to figure out what differentiates you from your competitor(s). Do you provide additional services your competitors don't offer, like engraving or free shipping? This can help justify the increase in cost compared to the competitor. Another idea is to charge a premium for your product. Because you will be charging more, you can factor that money into your advertising expenses. You will be able to spend more money on advertising to have your customers find you first.

Side Note: Internet customers are very savvy . For example, I have several friends who will do research on newegg.com because it has the best community for reviewing tech products and then buy from Amazon because they have the cheapest price. So, if you plan on being more expensive than your competitors just make sure they don't know about your competitors.

My Story: Flying Cart was free when it was initially launched. The plan was to make money by charging a 3% transaction fee. We had over 100 stores using our product, and after about a month, we made a grand total of $43.30. That didn't even cover our server fees! We decided to switch our model and start charging a flat monthly fee. When I told the team, they responded with "No one is going to pay $12/month - that is a lot of money!" Once the new pricing model was in place, we covered our server costs in less than 8 days!!

When determining your price point, ask around. "I know you have a problem with X. How much would you pay me to address that problem for you?"

If your product is a Software as a Service Business (Salesforce.com and FlyingCart.com are SaaS businesses) ask yourself how many customers you need to break even.

If your expenses are $100k, ask yourself how many customers are needed to make back that amount. If you are charging $30/mo, you need 300 customers. If you charge $100/mo you will need about 90 customers. It might be easier convincing 100 people to pay you $100/mo than 300 people $30/mo.

When determining your expenses, remember to include labor. If you are selling a service, determine your hourly rate and how long it takes to complete that task. The hourly rate can be calculated by dividing your annual salary (take your best guess)

by 2040 (the number of hours most people work in a year). For example, a salary of $50k/yr, would be an hourly rate of $25/hr ($50000/2040) When determining how long it takes to complete a task, just take your best guess and double it. Once you take on a few clients, you can refine your estimates based on actual data.

It's not over until the cash is in the bank

This is where we turn our idea into actual cash. Remember, you don't have a customer until you have their money.

Make sure people can purchase your product with a credit card.

This may seem like a strange fifth step but there is no point going forward if you can't accept payments for your online business.

The Setup

If you sell a web-based service, I highly recommend using PayPal Standard and linking it to a "Buy" button.

If you are selling a physical product (e.g., homemade items, machinery, clothing, or anything that someone can receive in the mail), then consider using my online storefront solution FlyingCart.com. We strive to be the easiest-to-use storefront solution on the market.

PayPal Standard charges a per-transaction fee of 3% + $0.30. At first, it seems like a lot, but PayPal is the easiest and cheapest way to safely and securely charge people. The service is well worth it. Other merchant accounts will charge a setup fee ($200) and monthly fee ($50/mo). They also require you to sign several documents and be involved in painstaking integration. Since our current goal is 10 paying customers, I would advise against wasting time setting up and integrating a merchant account.

A "Buy" call-to-action (ie. link, button, banner, etc) that is linked to a form that asks the visitor to enter in their credit card information is much better than a round-about email communication or any other method that creates additional steps between getting the customers money.

My story: When I first started Flying Cart, I had a simple form where people can type in their email to let us know if they are interested in the product. This resulted in over 400 email addresses. After we launched, only three out of those 400 actually purchased the product. Those 400 inquiries kept us motivated to finish building the product, but that is all that came of it.

The moral of this story is get people to pay right away. It is the only way you will know if your product is good enough.

Bonus: Profitable products get your credit card information in two steps or less (they keep this credit card locked in their system for future charges eliminating the need to have the user re-enter their information). Check out Amazon, Google, and Apple/iTunes for inspiration.

Don't look like a scammer

This is where we establish more web-cred (kind of like "street cred" but on the web).

1. Include a phone number on your website, even if it is your personal cell. Trust me, it's not likely you'll be overwhelmed with phone calls. But if you are truly worried, create a Google Voice number. You can setup Google Voice so that it only connects from 9a-5p. It will go straight to voicemail all other times. If it really becomes a hassle, feel free to take it off after you get your first 10 paying customers.

This is a quick and easy way to build and earn trust. Think about it this way - be super pumped and excited if someone does call because it means potential money in your pocket!

My Story: Adding a phone number to your website will build trust with the customer. Think about it from their perspective. You are just another website - why should they trust you with their money? You aren't a household name like Sears, Amazon or eBay… yet. By adding a phone number, the customer will feel more at ease knowing that they can call you. In their mind you are less likely to run away with their money.

When a customer calls, figure out how they found out about you and get details on them. Who are they (age, sex, race, situation)? How did they find out about your site? Why do they want to buy what you are selling? The more we know about this customer the closer we are to understanding other potential customers.

2. Include additional contact information. Basic details such as location and email addresses provide a sense of comfort in knowing someone is there. In most cases, people will not contact you. They actually prefer simple, automated solutions. However, by displaying that you can be easily contacted adds another level of trust.

3. I'm a fan of "Our Story" and "About Us" pages. Talk about how you started the company and what you believe in. People like buying from passionate sellers that believe in their product.

Think of this: Remember the last time you were in a restaurant and the waitress told you to get the house special because it was amazing.

Or the time you were at a car dealership and the salesmen told you that they truly love the car they are selling you. It is what he uses and he hasn't had any problems with it.

When people buy from you they are not just buying the product. They are buying the story, the dream, the ability to be a little more happy.

What will Google think of you?

Google drives the larger majority of new clients that sign up with Flying Cart. Google can really help you on a long term basis if you get in their good graces. This section can help you get started.

Step 1: Get into the mind of the customers

Describe your product to potential new customers and have them explain it back to you. Write down all the keywords they say.

The goal here is to come up with keywords that address customer wants. When in doubt ask yourself this question: "What will they Google?"

You should have a list of at least 20 keywords. The more keywords you can come up with at this stage the better. Remember there are no bad keywords at this stage.

Example: My product is HapTap – The first toy for Instant Messaging.

Keywords: Keyboard, Toy Keyboard, Emoticon Keyboard, Fun Keyboard, Kids Keyboard, Smiley Face Keyboard, Web Chat Keyboard, Fun Computer Peripherals, Fun Peripherals, USB add-on keyboard, Geeky Toys, Nerd Toys, USB Toys, Gift for Kids, Mini Kid Keyboard, Computer Toys, Laptop Toys, Computer Laptop Toy

Step 2: Compile a list of keywords and dump it into an Excel spreadsheet with the following columns:

A. Keyword

B. Search Volume

C. Keyword Difficulty

D. Estimated Conversion Rate

E. Estimated Average Conversion Rate

F. Heat Index

I created an Excel Spreadsheet template. Feel free to download it [here](#).

Step 3: Look at the keyword volume using Google Adwords Keyword Tool for each keyword. Enter in the keyword volume into your spreadsheet.

Some of your keywords will have a "-" under "Global Monthly Searches" this pretty much means no one is searching for that keyword.

Step 4: Determine difficulty by Googling that keyword and seeing who else ranks for it.

You can use SEOmoz's tool that gives you an actual percentage of what the exact difficulty is.

Or… you can also do a poor man's version of this:

Assign 80% Value – If WikiPedia is the #1 link for that keyword – The Difficulty is Hard

Assign 60% Value – If a reputable brand (Amazon, Walmart, etc) is the #1 link for that keyword – The Difficulty is Moderate

Assign 20% Value – If a link farm or a no-namer is #1 – The Difficulty is Low

Add the keyword difficulty into your spreadsheet.

Step 5: Determine keyword value. We need to make sure the keywords you pick will actually yield paying customers. Some keywords might have a lot of traffic but will lead to 0 conversions. Other keywords might have low traffic but bring in great paying customers.

In order to determine keyword value you will need to place some Google Adwords from our keyword list and measure the conversion rate.

If you haven't launched your product yet try building a landing page with Unbounce or Weebly and ask for email sign ups. If someone clicks on your ad and enters in their email address saying they are interested … that is a good sign that you have the right keyword.

Enter in your conversion rate and how much you made on each conversion.

Step 6: Look at your Heat Index and focus on the Hottest ones.

If you use my spreadsheet template. You will need to change the value ranges in the heat index key that pertain to you. Heat Index is calculated with this formula: (100%-keyword-difficulty)*Search-Volume*Est.-Conv.-Rate*Est.-$$-Conv.-Rate

Here comes the initial traffic!

The best thing I did for my company right before we launched was submit our web app to as many directories as possible. This really put us on the map! Within a few days we went from 15 beta users to 400. This got my entire team fired up to deploy the product as soon as possible.

My main objective was to be better ranked on Google. Not only were we better ranked within 2 weeks but a bunch of bloggers reached out to us asking for interviews.

I compiled a list of the best and easiest web directories you can submit your web app to. It should take 6-8 hours to submit your site to the entire list but it is totally worth it. I promise.

Top 5* Directories:

1. Go2Web2.0

2. Feed My App

3. Emily Chang Ehub

4. CSS Mania

5. Museum of The Modern Beta

* Based on the total amount of traffic it brought me. Your experiences might differ.

The Rest:

1. Killer Startups

2. Listio

3. 2.0 websites

4. Ziipa

5. You Noodle

6. Mashable

7. Springwise - not a directory but if you "wow" them they will write about you

8. CrunchBase

9. StartupMeme

10. SimpleSpark

11. GreatWebApps

12. 101 Best Websites

13. LaunchFeed

14. WebDev 2.0

15. On The App

16. Next Web App

17. DIY Startup New

18. * Stumble Upon

19. * Digg

20. * Reddit

21. * Hacker News

22. * Delicious

23. AppUseful

24. Startup Booster

25. Paggu

26. Robin Speziale

27. Submit Startup

28. Generation-y Startup

29. TechPluto

30. Netted

31. Appsumo

32. Minisprout

33. Startuplift

34. GetApp

* Only submit if you have an active presence on these sites already. Best case scenario someone that has a ton of followers will submit your site for you.

Time to Ignite that Fire!

Everyone talks about word of mouth as the best way to get new customers. They are right. However if no one really knows about your product no one will be talking about it.

One of the most effective ways to generate buzz about your business is to talk to bloggers about it. This is a tactic that a lot of new small business owners overlook, but if you have great products, then you have nothing to worry about. Here is how to make it happen:

Step 1: Research blogs that talk about your products

Browse blog directories (e.g., Google Blog Search, Blog Catalog) or Google for blogs relating to your topic / keywords and start checking out sites you find. You can even do a search for "Top Blogs About [insert product keyword(s)]" and discover what blogs others are suggesting (Create a list of 20-30 blogs and use this template to organize and track the different blogs you need to contact).

Step 2: Email the main blogger/editor

Once you have a list of 20-30 relevant blogs (or more) with a decent amount of traffic or a good sense of community, start contacting these blogs with information about your product (sample email below).

In your initial contact, introduce yourself and explain why your product or service will interest them. Avoid using a generic letter when possible. Address specific points within their blog that caught your attention and aligns with your product. If you feel comfortable, you can offer to send a sample product for them to try. Bloggers love to get freebies or trial products and will likely be happy to write a review. It's not necessary to send samples to every blogger. Pick and choose based on their level of interest, and how closely their products complement yours.

*Sample Blogger email format: *

Dear [First Name of Blogger],

{Compliment the blogger} I love your blog and how you talk about [X].

{Introduce yourself and your product} I wanted to see what you thought about my product [X]. It is awesome/unique/fun/useful because [X]. I was wondering if you would be up for featuring it on your blog.

I can also give your readers an exclusive discount if they use the coupon code "blog-address" or I can send you a sample so you can see how amazing it is.

{End with a no pressure line} Anyway totally cool if you don't want to feature my product. Let's stay in touch regardless.

Have a great day!

Your Name

Website Link

Phone Number/Email Address

Find blogs, contact them. It's easy to get the word out about your products! Don't get discouraged if some bloggers don't care about your products or don't write about them every time (the golden rule is for every 20 bloggers you email 1 of them will write about you). Stay positive, be polite and keep spreading the word!

From personal experience, this is the one step that separates companies with zero customers and ones with several customers. I know this steps looks like a pain but it is the most essential step. This is especially true if you have a limited or non-existent advertising /marketing budget.

Be the expert. Make your Mom proud.

The best businesses teach you! I went into the herbal store the other day to find something that could cure my cough. The herbal specialist came over and taught me all about the things I could take and the benefits it would have on my body. This was an amazing experience and not only did I buy the thing that I went in for but also a few other items she suggested.

BlueNile.com does a great job of this as well. I'm clueless when it comes to buying diamonds but BlueNile has an education course you can take so you know what to look out for. This made me trust BlueNile over a ton of other sites and retail stores that sell diamonds.

So start showing off your knowledge about your business by teaching your customers and become an expert.

It is important to become the #1 source for information about the topics that you sell. This will lead to other people linking and talking about your site. People will buy from you because they trust your brand, company, and knowledge.

For example, if you sell website optimization products, talk about website optimizations. If you sell blenders, talk about things your blender can blend. If you sell Hello Kitty dolls, talk about what makes them special and unique. The goal is to produce as much content as possible and market it through different channels. Follow these steps:

Step #1 Setup an editorial calendar.

Brainstorm 10 blog posts and/or video topics. Once you have a strong list of ideas put them on your calendar and be prepared to write a new one every other week. The editorial calendar will help keep your blog posts regular. Remember 90% of the battle is consistency. Blog posts can be simple things like product reviews, interviews with CTO's, customer testimonials, tips on what to do as a new developer, how to optimize an image with photoshop, or interesting things people do to increase their speed, etc. It can be anything as long as it is interesting, relevant, and useful.

Step #2 Create a free give away (eg. top 10 things you can make easily with your blender, or easy ways to speed up your computer, or your favorite Hello Kitty outfits).

Incentivize your readers to sign up via email. When they sign up, they will not only get your PDF file but will also automatically be enrolled to receive your blog posts. Also, hook up your RSS feed to them. Having readers get your blog posts via email will increase engagement on your blog. Sometimes a good way to get content is by letting people contact you and ask questions. I personally use www.DigiOh.com to easily distribute my free ebook and collect email addresses. It even builds a

newsletter for you automatically. This is a product I built, and I would highly recommend you give it a try as well.

Step #3 After two months worth of blog posts, research 10-40 high profile blogs that talk about your subject and reach out to them to do guest blog posts. This is how you will bring more traffic and establish credibility to your site. I wrote up a super simple step-by-step method on how to research blogs that you need to do guest posts on; get it here for free.

Because 2 customers are better than 1 customer

Ask your customers for referrals and use them on your homepage as customer testimonials.

Your customers are your best sales people. Why? Because they know who else would want to buy your product. After you make a sale ask them for two things:

#1 Who else do you think will buy this product? (This can be done by simply asking them to provide email addresses)

#2 Will you write a customer testimonial? Once you get a customer testimonial you can use it on your website. Here is an email template to get customer testimonials:

Hi {Their First Name},

I'm {Your Name}, the lead developer of {Your Product}. I really would like to know how I can help you better.

What do you think of {my product}? Your feedback will really help me improve my business.

Looking forward to your reply.

Thank you,

{Your Name}

{Your Phone Number}

{Your email}

Tell Customers what they want to hear.

If there is one thing I want you to take out of this book, it is this. The best way to sell is by telling your customers what they want to hear and then giving them what they actually need.

The key is to get inside the head of the customer and figure out what they want to hear.

I worked on the floor at Sears selling washing machines 7 years ago. When I first started I would try to up sell the higher priced washing machines by telling them about cool features like steam cycle and capacity. Almost always the customer would purchase the cheaper one. After a few weeks of crappy pay checks, I started asking the customer: "What happened with your old washing machine?" Their answer was pretty obvious (not to me at the time though): they were frustrated with their old washing machine and just wanted something to work. This is when I changed my pitch. I focused on reliability and backed it up by showing them consumer research reports. If they decided to go with the cheaper alternative I would counter with facts about the lifetime value of the more expensive brand and how headache free they would be. I would then repeat their answer of how frustrated they were in their current situation. This worked extremely well and my pay checks were no longer crappy.

A really popular web application called Evernote does an amazing job of this.

What customers want: To be able to seriously remember everything. People are obsessed with saving everything and never losing anything.

What customers need: An easy tool that helps them record their entire life with images and text.

Timothy Ferris wrote a New York Times Best Seller call The 4 Hour Work Week. What customers want: Quit their job, make money, and live the dream.

What the customer actually needs: Step by step lessons on how to actually make income on your own. Timothy Ferris doesn't load up his message with all the hard work it will actually take to get there.

p90x, a pretty expensive fitness program, does wonders with this. What customers want is to be fit and look amazing in a swimsuit. What the customer actually needs is a step by step fitness program.

Believe in What You Sell

When I go to a restaurant the first question I ask the waitress is "How is the food here?" If the waitress says "it's okay" or "yeah, it's all right", I immediately leave. Why would I want to waste my hard earned cash on food where the employees don't even believe in their products? You will be surprised at how often I hear this.

I love it when the waitress says something like this:

"The food is really really good here. You have to try our organic fresh vegetarian chili. I promise you will love it!"

The same goes for you. You really need to believe in your product that you sell. People want to believe you and all you need to do is reassure them. Tell them what they want to hear - the customer wants to believe that your product can solve their problems. So tell them how you can do just that.

Just starting out

I know you are just starting out and the product you built isn't exactly what you wanted just yet.

THAT IS OKAY! We are all the same way. I've been running Flying Cart for 6+ years and I always want to improve and think we can do things better.

Sell them on your product that you have now and tell them how amazing it will make their life. Amazing things will happen.

Magical things start to happen when you start believing in your product. All of a sudden people start to believe what you say and they will pay you for your product you give them. Trust me, if you want to make sales you have to believe in your product. It will show in your marketing copy, at conferences, and in your sales!

Fin!

That's it…. I hope you enjoyed this book. I'd really love to hear what you thought – so please send me a note at rishivshah@gmail.com.

If you haven't already, please sign up for my free newsletter and get awesome marketing tips right in your inbox for free. Sign up here: www.GettingMoreawesome.com