*Welcome to the PublicBeta 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 PublicBeta Podcast is with Todd Garland, founder of BuySellAds. BuySellAds is a marketplace for buying and selling online ads. In this episode, Todd shares stories about how he found the first customers for BuySellAds and gives some good tips that will help you find your business' first customers. Here we go.*

Jack: Hi everyone. I am really excited to be interviewing Todd Garland for PublicBeta today. Todd, 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 BuySellAds.

Todd: Hey, Jack. Thanks for having me. Hey you, PublicBeta folks.

Jack: No worries, no worries. So I guess we can jump right in to the interview then, and my first question is, could you tell us the story of how you found your first customers for BuySellAds?

Todd: Sure thing. So at the time when I started BuySellAds, I was actually running a few websites on my own. For those of you who don't know, BuySellAds, just like the name says, helps people buy and sell ads. We're pretty creative over here. And so I knew a few other site owners in the space and really I just reached out through pre-existing relationships with those folks to see if I can help them solve a problem that I felt was a problem worth solving.

Jack: Great. Is that kind of how you got the inventory like the initial inventory?

Todd: Yeah exactly. With a marketplace-based business, it's kind of tricky because you need the special balance between supply and demand. And so, for lack of a better term in the beginning, it was really just a crap shoot and I put together what I could put together as I could put it together. And luckily was able to keep that balance going in the right direction.

Jack: Great and when you had that inventory in place, how did you kind of look for people to buy ads out of the inventory on those sites?

Todd: Sure thing. So what I'd do is I'd go around and just look at the existing advertisers those sites would have. I do searches in Google to see if I could find other advertisers that might be similar. And essentially, I just kind of work like a sales rep for these blogs and websites trying to sell ads for them.

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

Todd: Bootstrapping and we're still bootstrapped today.

Jack: Okay nice. And were your first customers paying you immediately or were they kind of just users at the time? So I guess kind of like were you taking a cut of every ad? Like every CPM? And then was your business model at the time?

Todd: Sure. So I can bundle that into one answer really. We charge 25% commission on any sale that we help generate for the publisher. So we were charging from day one and our business model was simply to take a success fee. So we only get paid when we're successful. So our product was free in the sense that you could get set up and you could start gaining some of the value from the product before you actually paid us any money. But you didn't actually pay us until we were successful for you. But also keep in mind, it's not like we were physically taking money out of the user's bank account or asking for the publisher's credit card. We've taken that cut of the sale before that money even got to them. And so it's a little easier to swallow.

Jack: Yeah definitely. And so kind of besides reaching out to both people kind of site owners that you knew and then potential advertisers that you thought could be like a good fit to buy some of the ad inventory. What were some other kind of specific techniques or strategies you used to find your first customers?

Todd: Sure thing. Keep in mind, this is back in 2008 when you could actually put a beta tag on something and people would take it more seriously. If you put beta on something, it's like they still expect it to work. And so we had this little tag on the site that said private beta or beta or something like that. And when I'd send out emails inviting people to come in to the network, that's the way I positioned it. I positioned it as an invite like I'm extending this offer to you because I think that you're great. And the invitation email that looked like it had a special code in the URL so that it was something generated uniquely for them but really you didn't actually need any sort of invite code to get signed up. We just created the perception of exclusivity per se by doing that.

Jack: And that kind of help drive interests and help drive people who wanted to sign up?

Todd: Yeah I mean we focused on, we still do today, we focus primarily on quality. So publishers were actually publishing stuff that people care to read. It's not flat or it tends to see that are kind of crappy. So I think just having some sort of focus on quality for the type of business we're in, naturally creates some perception of exclusivity which has helped us for sure.

Jack: Great. Great. And kind of my last question but I might have one or two more follow-up questions but kind of last main question, what's your number one tip out there to prospective entrepreneurs about how they can find the first customers for their businesses?

Todd: I think it really just comes down to having a deep understanding of the problem that your prospective customers are actually trying to solve. Before you even contact them and say, “Hey I think you could get a lot of value out of this,” you need to go in there with a little bit more of a strategic angle. Maybe even like get something already set up in your product for them so that they can literally just click something and like started seeing the magic happen.

Jack: Yeah.

Todd: Or take more of a consultative approach, right? See if you can get them on the phone and see if you can meet them somewhere like find a way to identify with them and that you actually understand something that is a real challenge to them, which kind of means that you do have a decent understanding of their business. Maybe you need to even kind of falsely go through their sales process as a prospective customer to begin with. But you really need to go in there with it like in actual understanding not just hey I think you should use this. I can't tell you how many emails I get as founder and CEO of new things people want me to try, just thinking that what they have is the next best thing for me. They’re not in my shoes. They don't understand the problems I'm trying to solve. And when somebody approaches you, and it's very clear that they've taken little effort to understand the actual problems you're trying to solve, it's really hard to sell him something. So that was more than one tip but the general theme there is really put yourself in their shoes and take the time to gain the understanding of what they're trying to do.

Jack: Okay great. And kind of just thinking about how you mentioned that when you were kind of reaching out to other site owners that you had known. You were a site owner yourself so you said you owned a couple sites. Was that kind of how you got a lot of your experience just kind of from running them and seeing the different challenges there?

Todd: Yeah exactly. I literally had been in the publisher's shoes. I'd also purchased advertising so I'd been in the advertiser's shoes as well. And I was able to kind of experience first-hand some of the inefficiencies of how people were buying and selling ads at the time. That being said, it's not like I was an expert. I was selling ads for a few hundred bucks a month on a random hobby website. So it's not like I really had a very deep understanding. I had just enough to come up with something a little bit better.

Jack: Okay great and I think with that, that's all of the questions I have today. So thank you again Todd for taking the time to do this interview.

Todd: Cool. Thanks Jack.

Jack: No worries.

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