

From Zero to 1 Million: How to Acquire Users Fast

Hitting the million-user milestone isn't a sure sign your startup will be successful, but it is an important one.

Facebook, now a billion-user behemoth, hit the milestone in 10 months. Pocket, which lets you save web articles to read later, hit 20 million users when it had just 20 employees. Live-video streaming apps Meerkat and Periscope (now part of the Twitter nest) zipped to the million mark quickly after breaking out at SXSW 2015, but who's to say whether they will survive and thrive?

Typically your first million users will be free customers, as opposed to paying ones. Yet they matter deeply. Why? That critical early legion will help power you on your path to revenue.

User numbers are not the only metric that matters, but hitting the one million mark is a big deal no matter what your market segment. It is even more significant for B2B products and services that might not have the sizzle of a sexy consumer offering or as broad of an audience. As your startup works to build a product and a company that will last, here are three tips for getting to your first million – and beyond.

1. Make sure early adopters love you

In the early stages it is better to gain a thousand users who love you than a million who don't like you enough to stick around. Word-of-mouth is extremely valuable and will help drive new customer acquisition. Get to know your customers, talk to them and establish a feedback loop. Start measuring early. How do you put a yard stick on customer love? Net Promoter scores, surveys, reviews, and other tools can help.

At fashion marketplace Poshmark, cofounder Tracy Sun Tu says she personally recruited the first 500 users – fashion bloggers who she knew would be critical for the social component of the site.

2. Now, turn them into evangelists

Your customers and your employees are the best soldiers in your marketing army:

- **The Virtue of the Viral Loop:** The best case scenario is that your product has a viral loop – think about how LinkedIn and Facebook members refer others to the site as they build out their own connections. With a viral loop, when you drive more usage from your current customer base, you drive more new customer acquisition. DocuSign's viral loop is an organic part of the product: sending documents to others to sign using DocuSign introduces tens of thousands of new users to DocuSign every day.

- **Customer Connections:** Identify your advocates and develop clear strategies to help them spread the word for you. Intuit cofounder Scott Cook famously said, “A brand is no longer what we tell the consumer it is – it is what consumers tell each other it is.” Intuit leverages accountants as brand ambassadors, enabling and encouraging them to connect small businesses with QuickBooks in a personal way.
- **Employee Evangelists:** Your front line employees are the face of your product and can help drive adoption. How do you help your employees be influencers? Establishing sterling customer support systems and making sure employees of all levels spend at least some time handling customer issues is one way to make sure they are championing the brand.

3. Open new channels for growth

Don't be afraid to invest time and money in customer acquisition. Understand these costs and plan wisely so you don't blow your budget. Here are a few tactics and strategies:

- **Incentivized Referral Programs:** Referral and affiliate programs – customers giving away discount codes to friends – have helped fuel tremendous growth for companies like Lyft and Uber. Essentially, you're giving people incentives to refer others to become your customers and use your product more.
- **Channel Partners:** For startups where mobile apps are important, iTunes and Google Play are the key to rapid distribution and can create overnight sensations with the right exposure. If your budget is limited, focus on understanding these crucial channels to identify the right opportunities to be featured within the app stores.
- **Business Development Relationships:** Business development partnerships can be very valuable in driving exposure and new user acquisition – Pocket, for instance, is available on 500 apps. But proceed with care as business development partnerships can drain time and development resources, particularly if you're trying to partner with a behemoth.
- **Paid Programs:** While you may not have a big budget to acquire customers, paid channels such as Google AdWords and Facebook Ads can be efficient platforms for testing quickly to understand what works and what doesn't – helping you refine messaging, calls-to-action, and target audiences.

The bottom line: While some lucky startups sprint to a million users, for most the climb to the million milestone is a marathon. What's important is to build a strong foundation that will help as you scale. Test, measure, and iterate to determine the best approach for your product and your customers.

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