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Distribution and Growing Your User Base

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According to Dropbox Co-Founder Drew Houston, the need for product distribution strategies is often overlooked at startups. Here he shares some of the mistakes he made around this issue and some of the guerilla-style successes the company achieved to grow their user base.

Transcript

Then there were a couple of other things that were pretty instrumental in our - in the early years of Dropbox.. And one of them was really figuring out distribution.. And I think it's something that people kind of underestimate, the importance of that.. And it was especially interesting in our case because we made a couple of mistakes.. One was like really kind of right, we're launching this company and we should probably get real, and like hire PR people and advertising guys and different things and SEO, buy AdWords and all this stuff, and so we bought a lot of AdWords, and we spent a bunch of money and time on this and the results were just terrible, it cost us like $500 or $1,000 to acquire a user that was going to pay us $100 and so, very clear that that wasn't going to work.. But we had actually done these more kind of guerilla things, which was inspired by reading the book Guerilla Marketing which was actually really instrumental in thinking about this, where we put this video of Dropbox on Digg in 2007.. Sorry, March 2008, about a year after we started.. And what we managed to do is we put all these little Easter eggs in it, and because - and if you're familiar with the Digg, or with Digg or Reddit are kind of these classic internet communities and they have these little memes, and things like that and it was just this deadpan demo of me talking over a sort of a screen.. But the files were all named things, like named after like Chocolate Rain which is a YouTube sensation - well, YouTube, one of these viral videos back in the day.. And it references office space and Obama and xkcd and all these things..

But it was just me kind of deadpanning everything, oh, this is how Dropbox works.. And the thing just like - and we put it - we get a kind of a little bit of a link bait title, I think it was Google Drive killer coming from MIT startup.. So, go big.. And so the thing just like absolutely took off, it hit the top - it hit the top of Digg, it was like 12,000 Diggs, hundreds of thousands of people visited the - what used to be - getdropbox.com, that was our first domain name, that's a whole other story.. But anyway, all these people visited the website and like our beta waiting list went from 5,000 to 75,000 people overnight, which is because we had been wringing our hands about this kind of critical mass problem, and how do we get started, and just that one kind of ghetto thing that we did ended up working extremely well.. In fact, nothing well - it solved literally overnight, our distribution problem or the at least the getting started problem...