

# VALIDATION CHEAT SHEET

SIMPLE STEPS TO ENSURE YOUR  
DIGITAL PRODUCT, PHYSICAL  
PRODUCT, OR SERVICE HITS  
THE MARK

APPSUMO  
SUMMER 2013



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CHEAT

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# VALIDATING DIGITAL PRODUCTS

## RESEARCH

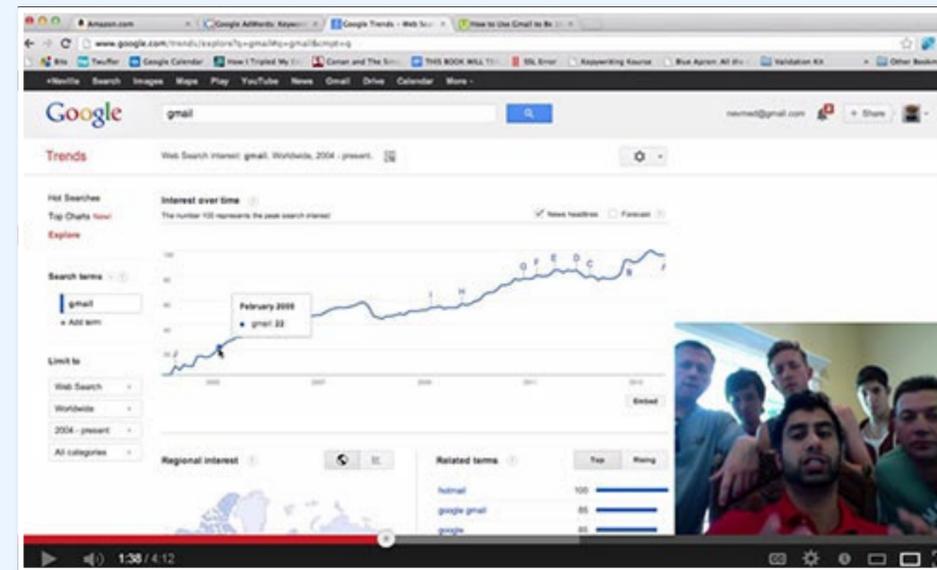
Let's first do some really basic research to see if anyone is doing something like you want. If there's ZERO competition, it can often mean there's not many people willing to pay for what we're selling.

## EXAMPLE

Colin wants to make a Gmail course that shows how to be more productive with Gmail.

We'll start by opening up a couple of sites:

- [Amazon.com](https://www.amazon.com)
- [Google Keyword Tool](https://www.google.com/ads/keywordtool/)
- [Google Trends](https://trends.google.com/trends/)
- [Skillshare.com](https://www.skillshare.com)
- [Udemy.com](https://www.udemy.com)



We'll search the word "Gmail" on every site, just to see what info we can gather.

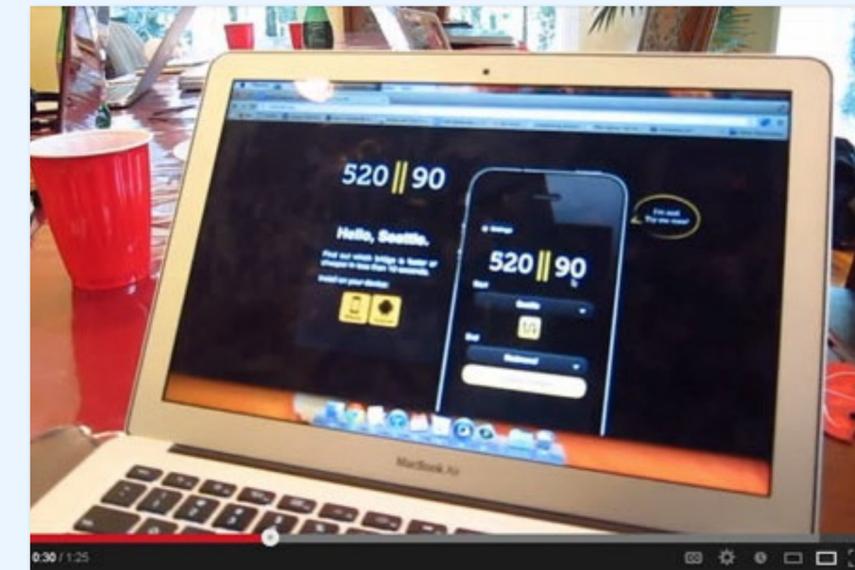
We found a course called "Master Gmail to be 10x more productive"

that sold 369 copies at \$69 each. Giggity! At least SOMEONE is making a bit of money with a Gmail course, so there might be some hope for us.

You can watch this "Validation Kit" technique [here](#).

## VALIDATION IDEAS

Here's a way to validate an app, with a quick landing page and email signup. Checkout how 520or90 did it with a one page website and an email signup list: <http://www.youtube.com/watch?v=CwSdvbbOlBI>



# FIGURE OUT EXACTLY WHAT YOU'RE OFFERING

Use these three things to define exactly what you'll be offering. This is just for you to narrow down exactly what you want to deliver.

[PRICE + BENEFIT + TIME]

Examples:

- For \$69, I will teach you how to validate your business in two hours.
- For \$69 I will teach you how to write better in two hours.
- For \$25 I will teach you how to save an hour a day on your Mac, in just 20 minutes.
- For \$10 I will send you a PDF file with 10 mind hacks that will change the way you think in 1 minute each.

# BUILD & SELL A DIGITAL PRODUCT

- If you want to make a PDF file, simply write the document in [Google Docs](#) and click "Save As PDF". Instant eBook!
- [Udemy](#) and [Skillshare](#) are easy places to host a video course.
- [GumRoad.com](#) makes it incredibly easy to sell any of your video files, ebooks, mp3's, Excel files....anything digital. Try it, it works great.
- Alternatively (and ghetto-ly) have people [Paypal](#) you directly and manually email them your product.

# FIRST 3 CUSTOMERS

These are some places we can hunt down our first three customers:

1. Go to communities like forums, Facebook Groups, or Reddit.  
If we're thinking of selling a Gmail productivity course, maybe test the waters by posting some gmail hack videos/articles in productivity groups like [reddit.com/r/productivity/](https://www.reddit.com/r/productivity/)  
Gauge the interest you get.
2. You can make your own course and post it on Udemy, Skillshare, or use GumRoad to sell it yourself. Platforms like this make it REALLY easy to sell/distribute any digital content.

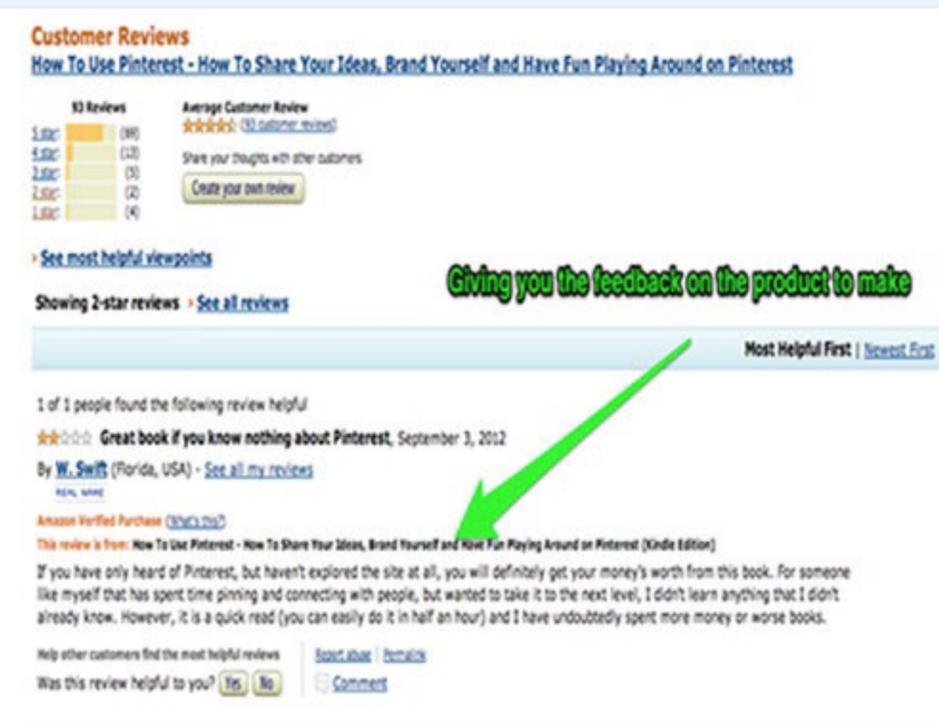
# TOOLS

- [Google Docs](#) for writing content and making PDF eBooks
- [Camtasia](#) for making video and recording your screen

# CHEAT 2 VALIDATING PHYSICAL PRODUCTS

## RESEARCH

Check product ratings on [Amazon.com](https://www.amazon.com). Scan the comments and reviews and see what people like and don't like about it. Product reviews on Amazon are an AMAZING source of insight for new products. People who have spent money literally are telling you what they like/dislike about stuff.



## EXAMPLE

Free product research?? YES PLEASE!

Now let's try to validate 2 different physical products:

1. Paleo food delivery service.
2. Workout deck of cards.

Let's see if [Google Keyword Tool](https://www.google.com/ads/keywordtool/) would be a viable way to get customers for each...

- A \$1.37 CPC for “deck of cards workout” may be a bit expensive to sell a low price product. Also the monthly search volume is low....only 2,400 searches a month. We were hoping for more.

Keyword	Competition	Local Monthly Searches	Approximate CPC (Search)
deck of cards	Low	165,000	\$0.88
Keyword ideas (367)			
a deck of cards	Low	165,000	\$0.98
printable deck of cards	Low	590	\$1.19
online deck of cards	Low	1,000	\$1.35
virtual deck of cards	Low	480	\$2.47
personalized deck of cards	High	2,400	\$1.73
decks of cards	Low	33,100	\$0.90
deck of cards lyrics	Low	480	\$0.10
standard deck of cards	Low	9,900	\$0.95
deck of cards song	Low	880	\$0.23
deck of cards workout	Low	2,400	\$1.37
custom deck of cards	High	2,400	\$1.94

- A \$1.01 CPC for “paleo diet menu” and a much more valuable customer may be more promising. A respectable 4,400/month are search “Paleo diet menu” which is pretty specific. Those people are looking for exactly what we're offering.

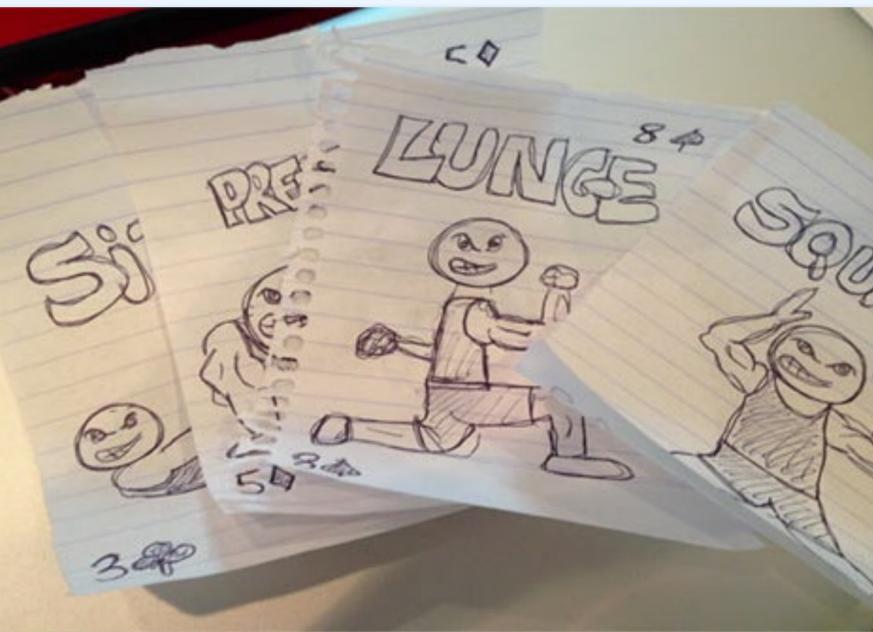
Keyword	Competition	Local Monthly Searches	Approximate CPC (Search)
paleo diet	Low	550,000	\$0.47
Keyword ideas (800)			
paleo diet menu	Low	4,400	\$1.01
paleo diet breakfast	Low	3,600	\$1.16

This doesn't mean the workout deck of cards is a no go, but AdWords might not be the best route to get your first customers.

# FIRST 3 FREE CUSTOMERS

Let's say you love working out. Yay, healthy you! Now let's say you identified a problem during all your workouts: people have a tough time working out while traveling.

You see people going to the gym with no plan.....so they do some wussy exercise for 20 minutes and leave. Essentially they just wasted their time at the gym since they didn't do a REAL exercise.



Example of deck of cards.

Let's make a product to help em:

**1. Make a mockup of your physical product.** There's a crap of ton of free tools to use below. Our buddy Ed drew these ultra ghetto sample cards in 5 minutes. Just so we got SOMETHING to display. People instantly get the idea when you SHOW them something, even if it's stupidly ghetto.

**2. Contact 10 people via email, in person or phone that you believe would be interested in this.** Your goal is not just to spread the word, but to get their money. Ask for payment right now via PayPal. For the deck of cards, Ed asked for \$10 per pack and got 3 sales within an hour from emailing 10 friends!!! #lightbulb

Ed couldn't believe it was that "simple and ghetto" to get the first sales. But it is.

**Remember young Sumoling:** Don't over-complicate this process by trying to "add features" to your product. The point is to just prove your overall concept interests people enough to pay.

*Bonus: A little known trick is the [LinkedIn Contact Export Tool](#) which will provide you an Excel sheet of all of your LinkedIn contact's email addresses. You can email people who would be interested in your product.*

Now I can hear a lot of people whine at this stage.....**"BUTTT I haven't made my product yet!! I need to get a manufacturer in China to make 10,000 of them first so I can send out the product if someone orders!!!"**

- No worries, just be sure to let your customers know there might be a short delay. If no one orders, you can scrap the idea without wasting all your time/money.
  - Spend a few minutes Googling how much a comparable product sells for. If there isn't anything comparable, a good rule of thumb is to sell it for 50 - 75% more than you can make it for.
  - If you can't get your own friends & family to buy it from you now, it'll only get harder when you approach strangers.
- 3. Ghetto is good.** Those are just pieces of paper he's going to be selling to people. NO CUSTOMER cares about an app, website, etc... they all care about the solution (in this case, getting a good workout when you don't have one planned). Focus on solving that core problem in the simplest way, and you'll be on your way to validating heaven.

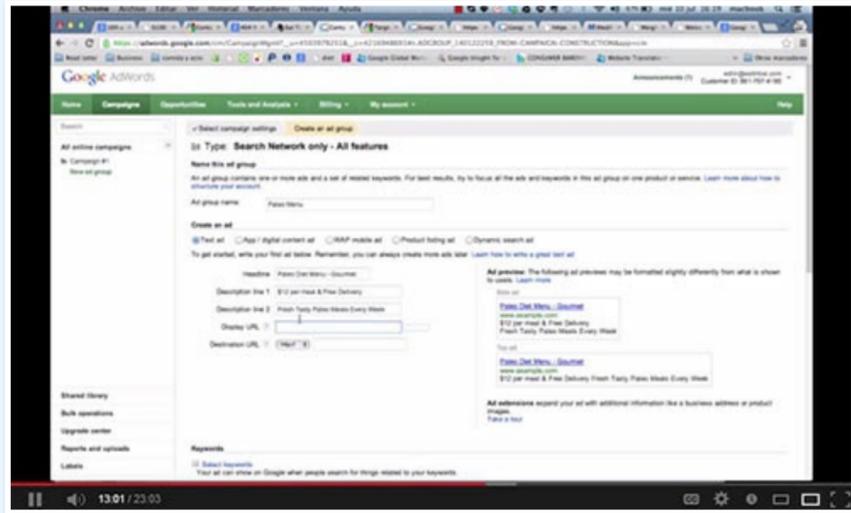
# FIRST 3 PAID CUSTOMERS

Here we'll show you how to bring in your first 3 customers with a quick AdWords campaign using FREE AdWords credit. It will cost you nothing to test.

1. Start with a keyword that has at least 3,000 monthly searches. An example of what could happen:

**3,000 monthly searches = 300 clicks to your website = 9 sales**

2. We created this 20 min custom video to help you setup your first campaign. <http://www.youtube.com/watch?v=ST-GsjqHwUQTOOLS>



3. Let your campaign run until you get 3 customers or you spent a maximum of 4 times what you are willing to pay per customer.

*Got 3 customers?* Great, learn how to make your campaign better, find more keywords, improve your site and offering. *No customers?* Figure out what you can do better.

4. Rinse and repeat.

# TOOLS

- [Google Market Finder](#), awesome tool to look for keywords cost worldwide.
- [Google Keyword Tool](#), find what people are already searching online.
- [Alibaba.com](#) is a useful resource to find manufacturers and vendors.
- [Gumroad.com](#), [Shopify.com](#) or [BigCommerce.com](#).
- [Mockingbird](#), [Sketchup](#), [Google Draw](#), pen and paper.
- Outsource design to [Fiverr](#).
- [Adwords for Dummies](#), by Howie Jacobson.

# QUICK TIP

Collect emails / phone #s regardless of the people visiting. If the people aren't buying it's a great chance to learn what you can do to improve.

# CHEAT 3

## VALIDATING SERVICES

### RESEARCH

Take your skill or interest and see if people are willing to pay someone to do this. To do this, check out these tools and search for your keyword on them:

- [Craigslist](#)
- [Google Keyword Tool](#)
- [Google Trends](#)
- [Skillshare.com](#)
- [LinkedIn](#)

If there are other people getting paid to do similar services, you have validated there IS a market! A little competition means there's actually people making money.

For your first customers, you're going to have to give something away—provide value before you ask for their money. It could be as simple as providing a free quote, or a free lesson.

### FIRST 3 CUSTOMERS

1. Let's try making a Craigslist posting explaining what service you'll be offering. Here's a template we used to rent out a camera on Craigslist:



**CANON 7D for rent  
in Austin**  
This is the same camera the  
professionals use for  
photos and videos!



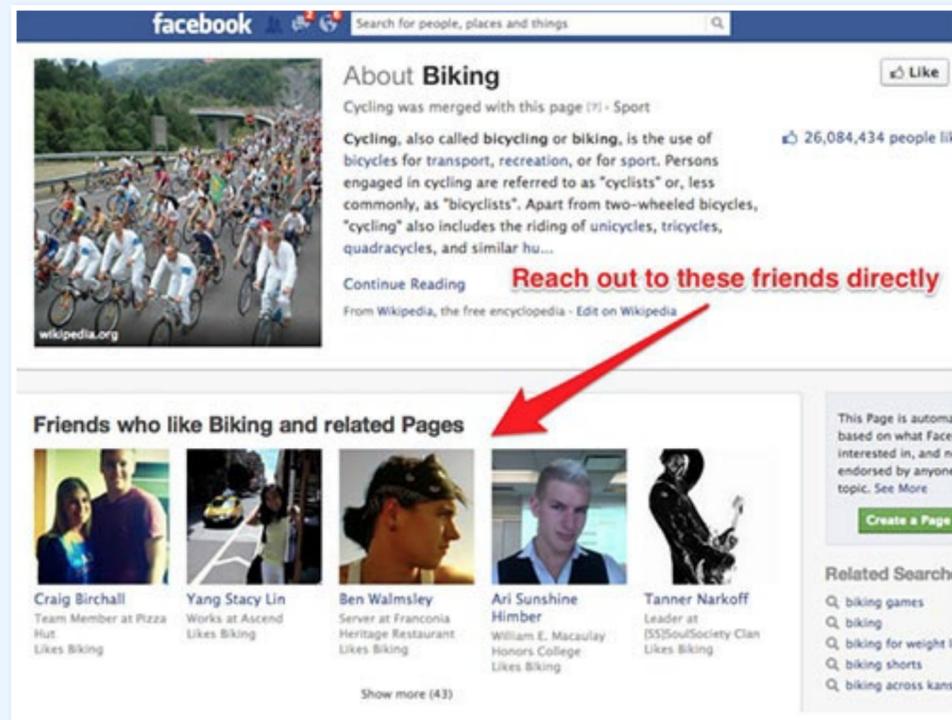
**Pickup from central Austin near Downtown**

**Rental includes a 50mm lens, so you can  
start shooting right away!**

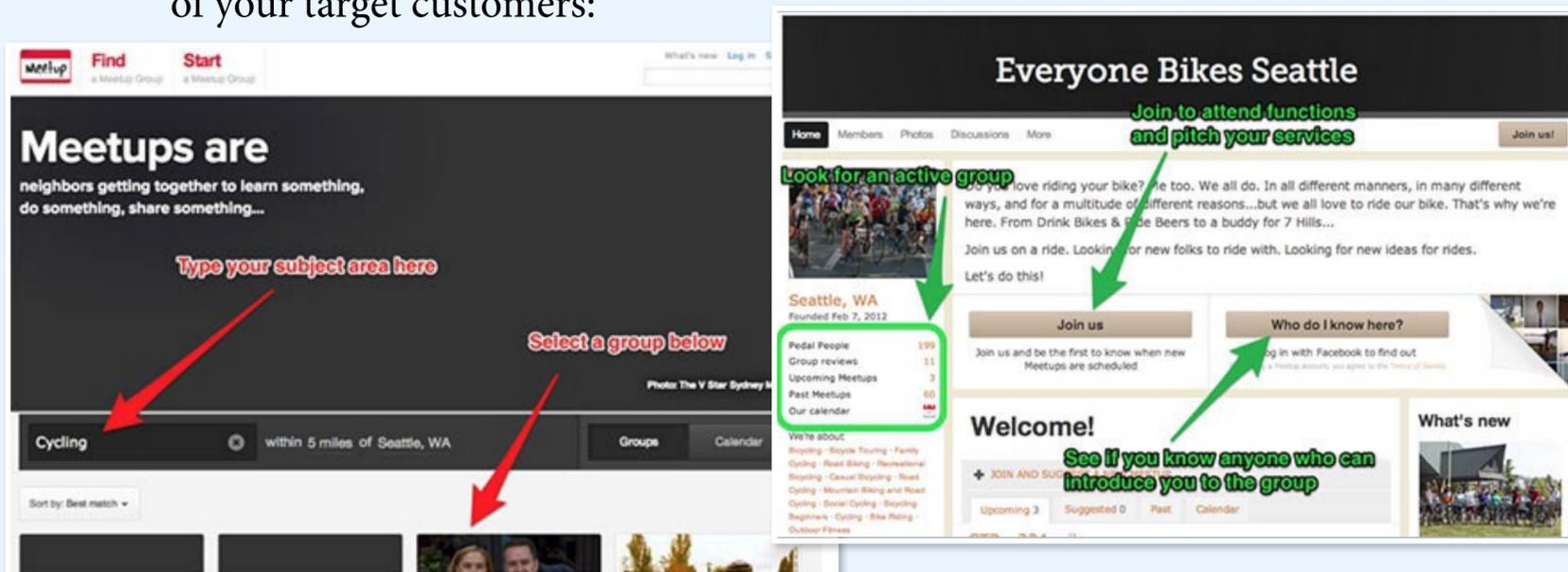
**Call Taylor to reserve: 678-665-2753**

(Just a headline, an image, and some basic details, and this ad started pulling in business!)

- Log onto your [Facebook](#) and [LinkedIn](#) accounts and use keywords to find people interested in your service. Offering custom bike maintenance? Try seeing which friends have liked “cycling” on facebook and reaching out to them directly:



- Attend Meetups where you could find potential customers. A great place to find this groups is [Meetup.com](#). These meetups are literally full of your target customers:



- Approach people who could use your service. This is WAY underrated. Eric booked \$8,000 of business in 2 weeks by knocking on doors handing them a flyer and saying:

*“Hey, how’s it goin’? I’m Eric with Foothills Painting. I noticed you had some peeling paint up here on your house so I wanted to give you a free estimate.”*

That 2-sentence pitch till this day has built him a \$750,000/year business.

- Follow up by sending an email to your first customers asking for feedback and referrals.

## Foothills Painting

Call us today for a **FREE** estimate

- Interior/Exterior
- Decks/Fences/Patio Covers
- Fully bonded and insured
- Guaranteed satisfaction

In an industry littered with bad reputations and untrustworthy contractors, you want to be sure you make the right choice. You can expect us to show up on time, do what we say we are going to do, and follow up with you when we say we will. Take the headache out of painting your house, call us today.

970 227 0181

**\*\*Save 10% the day of the estimate by presenting this flyer\*\***

FINAL WORD

# HOW TO MAKE YOUR FIRST DOLLAR

We created software to help you get your first dollar and beyond, and we'll personally work with you every step of the way.

LEARN MORE

