

### Developing Software As a Service for Recurring Monthly Income - With Matt Mazur

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<http://www.domainsherpa.com/matt-mazur-lightstone-interview/>

Are you tired of building websites made for AdSense? Build a website that solves a customer problem and then charge that customer a monthly recurring fee. Today's guest is going to share how he is doing just that. It is a business model called SaaS - Software as a Service. Stay tuned to learn all the details.

Three messages before today's interview educates and motivates you.

First, if you're a domain name investor, don't you have unique legal needs that require domain name technical know-how and industry experience? That's why you need David Weslow of Wiley Rein. Go search for David Weslow on DomainSherpa, watch his interview and you can see for yourself that he can clearly explain issues, can help you with buy/sell agreements, deal with website content issues and UDRP actions, and even help you write your website terms and conditions. David Weslow is the lawyer to call for Internet legal issues. See for yourself at NewMediaIP.com.

Second, managing multiple domain name marketplace and auction site accounts is a pain. Inevitably, you forget to sign into one and lose a great domain...or worse. Now imagine using a single, simple-to-use and comprehensive control panel to manage all your accounts. That's Protrada. You can setup search filters, analyze domains, automate bidding, list domains for sale, and buy domains across all major marketplaces. Protrada also has a new semantic engine that builds Google-friendly websites with rich content and network feeds. Sign up at Protrada.com to get 20 free credits and start building and monetizing your domains today.

Finally, if you have questions about domain names, where should you go to ask them? The answer is DNForum.com. Not only is DN Forum the largest domain name forum in the world, but it's the best. You can learn about domain names and the industry, buy and sell domain names, talk about domain name news, and meet other domainers just like yourself. Register for

## DomainSherpa.com: The Domain Name Authority

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a free DN Forum account and begin advancing your skills and knowledge today. And when you do signup, send me a friend request so we can connect.

Here's your program.

Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name entrepreneur and investor directly from the experts.

We all know the usual options for producing recurring monthly revenue, like domain name parking, content websites that use AdSense for monetization, and even lead generation websites. But what about SaaS, which is an acronym for Software as a Service?

Software as a Service is a business model that has tremendous potential, but requires offering something that satisfies a need, or solves a problem, of a user.

Today we are joined by someone who is focusing his business on SaaS - Matt Mazur. Matt is the Owner of Lightstone Software. Matt, welcome to the show.

Matt Mazur: Thanks. Glad to be here.

Michael: So, Software as a Service. It is a business model that I am sure people have heard of in the past. How do you define that?

Matt: So, Software as a Service is a pretty simple concept; and I am sure most people are already familiar with it. Basically, instead of getting your customers to pay you once for whatever you are offering, you are going to get them to pay you on a recurring basis. Kind of like you would subscribe to a magazine and you are going to pay for it monthly or yearly, and they deliver you your magazines. It is the same idea, except applied to web application. So you will sign up, pay monthly or yearly, and you will get access to the service.

Michael: Great. And what are some good examples of SaaS businesses that currently exist?

Matt: Sure. So, most professional websites these days that are trying to charge customers and they are not physically shipping them products are moving to a SaaS model because you can get some really good revenue if you have the customer base to support it. So, for example, Netflix, which a lot of people use, you have to pay monthly to get access to their streaming service. Hulu is another one. There are some other big ones, such as HubSpot, which is based out of Cambridge, Massachusetts, which is marketing software, MailChimp, and many, many others.

Michael: Yeah, I use them on a regular basis. I use SurveyMonkey for surveys on some of my websites. On one of my websites, I have a little feedback button on the right-hand side that allows people to click something and report a problem with anything that is on the screen. I think I pay fifteen dollars a month for that. So those are all great examples of Software as a Service. How did you select Software as a Service for your business when you had a bunch of other business models that you could have chosen from?

Matt: So, I will talk about this a little bit more. I have been experimenting with different business models. For example, one of the tools that I run is called Preceden. It is a web-based timeline maker. And about the first two years of its existence, I charged people just once to use it; and I have had a lot of success with that, but basically, they are paying me once and then they can use it for a week, or they can use it for a few years, which people have been. And those people that have been using it for several years, I am really missing out on a lot of value by not charging them to continue to use it. And so, you have to strike this balance where you get people in the door to use it, but then are maximizing the value for the people that are going to be using it long-term.

Michael: Right. And I suspect that if you charge them a little bit every month that they are going to look at it is less of a risk than if you charged them more for a one-time fee for their entire life.

Matt: Right. Exactly. So, for Preceden, for example, I was charging them \$39 once to sign up for the service. And now, with the SaaS model, I am doing it \$14 a month. So, I am making less money up-front from them, but if they stick with it for a while, I will wind up making more money from my customers long-term.

Michael: Yeah, excellent. How long have you been offering Software as a Service?

Matt: I have been experimenting with it on and off for about a year now. I am really just taking the dive into it with my latest products in the last two months or so.

Michael: Great. Well, we will be able to ask you some questions and learn what you have learned in the past year and couple of months. How much income do you make from your Software as a Service websites right now?

Matt: So, I have a couple of different websites. Two of them I am shutting down, and two of them I am going to be keeping open. I want to focus on the two that are bringing in money. The two that do bring in money are called LeanDomainSearch, which we will talk about a little bit more. That brings in about fifteen hundred dollars a month in revenue. And Preceden - the other one - is also bringing in about the same amount. About fifteen hundred dollars a month. So, total, I am bringing in about three thousand dollars a month right now.

Michael: Excellent. So we are going to dig into how you are doing that with the websites that you are currently operating, why you are shutting down your two Software as a Service websites to focus on those, and we are going to go into all the details of the businesses - how you build them, how you marketed them, how you are monetizing them, what credit card merchant accounts you are using, and all those details. But I want to go back in time at this point and find out what you were doing just before you started developing these websites.

Matt: Sure. So, I have been in the Air Force for about the last nine years, and I started developing these websites in my spare time - on nights and

weekends. I have always enjoyed building things, especially on the computer. I got into programming at a young age; and just kind of always, in my free time, gravitated towards building tools and building software for people. And so, the last few years I got into web development, and started building a couple different products; and one led to another and I find myself now with several different products out there, and I am finally take the plunge to work on them full time.

Michael: Yeah, excellent. And did you study Computer Science in college or anything?

Matt: I did. I got a Computer Science Degree from the Air Force Academy.

Michael: Excellent. So, you graduated from the Air Force Academy and then you were an officer for how many years after that?

Matt: A little over five years. I was stationed at McGuire Air Force Base in New Jersey and then Hanscom Air Force Base in Massachusetts after that.

Michael: Excellent. And what rank did you ascend to?

Matt: When I separated, last month, I was a Captain.

Michael: Awesome. All right, Matt. Well, thanks for your years of service. So, the first website that you developed in your free time when you were working in the Air Force, what was that first website? Before you even started charging anything.

Matt: Yeah, so, the first website I have, which is actually pretty relevant to your audience, was called DomainPigeon; and it was actually Domain Name Search Tool similar to the Lean Domain Search Tool that I have right now. So, a little background on that. When I first got into web development, it kind of blew me away how hard it was to find good available domain names. At the time, I did not have a lot of money and I did not want to spend thousands of dollars on a domain name for my products. So, I would go on GoDaddy and type in a name, and it would come back registered. And I got so frustrated because it seemed like it was impossible to find anything good. So

I wound up writing some little computer programs on my computer that would generate domain names for me, and that is kind of what Lean Domain Search turned into - my second Domain Name Tool; the one that is active right now. The original Domain Search Tool I had - DomainPigeon - basically generated Web 2.0-style domain names and spit them out each day, and people could browse them and select them for their websites. And that was kind of my real first big foray into web development; and it did pretty well and I kept it going for a little over a year, but eventually I lost interest in it and moved on to other web products and shut it down.

Michael: Got you. All right. So, the audience is going to be watching this. There is a slight delay between the video and audio. It is not enough to reset the connection or anything, Matt, but I just wanted to point it out in case people are wondering why the words are not matching up exactly with Matt's mouth. Matt, are you actually plugged into a network on your side?

Matt: I am.

Michael: Okay. All right. Well, right now it seems to be working. I think we are just running a little bit - losing a couple of frames in the middle. So, DomainPigeon - and I have had the exact same issue. I have had tons of great ideas for different businesses and, whenever I go to look up the idea, somebody has it registered. And it is usually Mike Mann, which pisses me off. MikeMann.com. In fact, I was just talking to my father-in-law. We were talking about books a few months ago, and he came up with this great idea and I was like: "Oh, I love that idea. Let me go look it up, and lookup a generic domain name that could be a brandable that sort of matches." And of course, it was taken. So I think a lot of entrepreneurs are feeling the exact same frustration that you felt back then. So, you came out with DomainPigeon.com. And when you say it was a Web 2.0 offering of available domain names, what does that mean to you?

Matt: Yeah, I should explain that. So, Web 2.0 refers to this era in web development. Basically, the last few years, where you get all these really fancy, un-pronounceable, un-spellable domain names, like I guess you could say Zinga is one of them. They are really playful and, if somebody told it to you, you would have to ask them again and you would probably not

remember it; not remember how to spell it. And those are the kind of domain names that DomainPigeon generated. And ReadWriteWeb - the popular website - actually wrote an article about it. The title was something like: 'Find Your Perfect Unintelligible Domain Name' just to give you an example of how people perceived it. But a lot of people want domain names like that. They want these playful creative names; and those are the kind of web domain names that DomainPigeon specialized in.

Michael: Got you. So they were brandable.

Matt: Exactly. They were brandable domain names, but I really did not want to use them for myself and I really did not like the quality. I do not think Web 2.0-style domain name are particularly good, especially if they are difficult for people to pronounce or difficult for people to spell because that is going to make it hard to market and it is going to make it hard for people to find your website. So, Lean Domain Search - the tool that I run right now - is kind of my second attempt at making a good Domain Search Tool. And I think the results of this tool are much, much better than DomainPigeon ever was.

Michael: Okay. So, I want to understand how you transitioned to LeanDomainSearch.com from DomainPigeon.com, but one more question. So I assume you wrote an algorithm that came up with these Web 2.0 domain names that were, sometimes, difficult to pronounce. And then, would you ping it off of the GoDaddy server using their API to figure out if it was available and then display them to the user?

Matt: You can run WhoIS queries on the domain names and, based on the results, you can tell whether it is registered or available. So, actually, it is very slow to do that. It takes a few seconds to check one domain name. And I moved to a different method to do it with LeanDomainSearch, which I can talk about. So, basically, for DomainPigeon, I would come up with this list of domain names on my computer and then put it online for people to access. With DomainPigeon, it is kind of different because you can go to LeanDomainSearch and type in any word or phrase, and then, in real time, it will go and figure out for thousands of domain names in a few seconds which of those are available and which of those are registered.

Michael: Sure. Okay. So, you would come up with names. You would put them on DomainPigeon.com. It would check the WhoIS, which would take a couple of seconds. And then, when somebody wanted to register one of those domain names, would they click on it and it would take them to a registrar and you would receive a commission?

Matt: Yeah, exactly. So, for DomainPigeon and now LeanDomainSearch, you have a list of search results. If you click on one of the search results, it will double check that it is still available, and then it will present you with a button for GoDaddy or whatever registrar you choose. You can then click that and, if you wind up purchasing it, I get a percentage of that revenue. So, for example, GoDaddy, which is where I get most of my revenue from, pays about thirty percent for any sale. So, if you go and buy just one domain name for twelve dollars, I am not going to make a lot of money off of that, right? But GoDaddy, as you probably know, is very good at up-selling. So, you go there to buy a domain name and you wind up leaving with five domain names and four years of managed hosting, and you wind up spending hundreds of dollars. So, enough people go and pay a lot of money that it winds up adding up to a decent amount for me at the end of the month.

Michael: Definitely. And then you do not have to do any of that up-selling. You can basically just send them over to GoDaddy, they are happy to give you a commission on anything that gets sold because you are sending them a customer, and then they are in charge of all the up-sell.

Matt: Exactly.

Michael: Great.

Matt: I am kind of the middleman in this, and that works out well.

Michael: Definitely. So, I understand DomainPigeon. Did you start developing LeanDomainSearch.com sort of overlapping in time with DomainPigeon, realizing that you wanted to advance your algorithm? Or did you completely shut down DomainPigeon and then start with LeanDomainSearch?

Matt: The latter actually. I wound up shutting DomainPigeon down and working on several other projects in between. Preceden, which is one of the other ones that I have running currently. Another one called LeanDesigns, which is a Web Design Tool. Another one called LucidTracker, which is this Live Tracking Tool, which I can talk about a little more later. But I always had this itch that I could do this Domain Search better. And for each of those intermediate projects I had to find domain names for them, and so I was running into the same problem that I originally had, where I have this idea for a product, but I cannot find a good domain name to go with it, and I wound up spending a lot of time. So these original algorithms that I wrote for DomainPigeon to come up with domain names, I wound up tweaking them here and there. And over the course of a few years, the algorithms got pretty good to the point where I had friends that would e-mail me with what topics they wanted to create products for. I would run them through the algorithm on my computer and then send them back the results. And they really encouraged me. They said, "Hey, this is really good. Maybe you should consider getting back into the Domain Search Business with another Tool because I think this could be really popular." And that is kind of what spurred me to start working on LeanDomainSearch, several years after I had already shut down DomainPigeon.

Michael: Got you. And are you working fulltime in another job, Matt, that you are doing this on the side, or this your fulltime job - building these websites that are based off of Software as a Service model?

Matt: As of about a month ago it is my fulltime job. So, I took the plunge, left the Air Force, and now am pursuing this fulltime, which I am really excited about.

Michael: Awesome. All right. So, LeanDomainSearch.com is your current Domain Name Spinner, as a lot of people like to talk about it. You put in a word, you crank the handles, and it spins out a bunch of different brandable or generic words that can be used to name your business, or name your website, and it comes out with a lot of different options. And so, I have actually gone to LeanDomainSearch. And if I type in Red, for example, it will come back with CleanRed, UberRed, IdealRed, and FinanceRed. And if I click on the name itself, it will say: "Checking Domain, Twitter, and

Trademark Availability". so, for example, FinanceRed.com is still available. It is available on Twitter and it does not appear to be trademarked, which it looks like you plug into Trademarkia in order to determine.

Matt: Exactly.

Michael: And it came back with three hundred and sixty available .COMs containing the word Red out of thirty-three hundred available results if I upgrade to a Premium Account.

Matt: Yeah, and that kind of leads us into the business model for LeanDomainSearch. So, up until a few weeks ago, I offered all the search results for free. So, if you go and type Red and it finds twenty-five hundred available domain names that contain the word red, it is going to show you all twenty-five hundred. And you are free to browse them. You can sort them by popularity, or length, or alphabetically. You could filter them and do whatever you want with this full long list of results. So you have got a lot of options. But I started looking at: "Is there a way that I can potentially make more off the people that want more results, or more off the people that are going to be using this heavily?" And so, I kind of moved to this SaaS model - this Subscription as a Service model -, where I will let you look at the search results for free, like you searched and you saw three hundred and sixty results. So that is kind of the number that I chose to show people for free. You can go and search on there, and it will show you the top three hundred and sixty results without charging you anything; and, for most people, that is going to work just fine. It is sorted by popularity based on the keyword it pairs your search term with. So, generally, the top three hundred and sixty are going to be pretty good, but for a number of people, they are going to want an even wider selection of domain names to choose from. And so, if you want to explore the full list of results, which is usually several thousand domain names instead of just the top three hundred and sixty, then you have got to upgrade to one of my Paid Plans.

Michael: Got you.

Matt: So I made that change a few weeks ago. And I do not have much of a sample size yet because it is still early, but tentatively it looks like it is going to increase my revenue by about fifty to hundred percent.

Michael: Wow.

Matt: So, it has been pretty successful so far.

Michael: Definitely. And that is basically a migration of revenue coming from commissions at GoDaddy to directly charging the customer for those options.

Matt: Exactly.

Michael: Well, but also getting the commissions.

Matt: Yeah, exactly. So, I still make money off the commissions. And you can kind of imagine the spectrum where, on one side, I offer all the domain names for free and I just make money with affiliate revenue and then, the other side, I charge people to use it and I do not give you any results for free. But I did not really want to do that because I want people to get a feel for what the product is like to make sure they are comfortable with it, so I kind of chose this middle ground, where I give you some of the results for free, but if you want all of them, you have to pay. And we typically call that freemium - free plus premium -, and a lot of businesses use that, like MailChimp and many others.

Michael: Sure. Where you can actually use the service and see how great it is, and then commit to paying for additional service.

Matt: Exactly.

Michael: So, three hundred and sixty domain names that I can currently browse through without being registered. That is a lot of domain names. Are you afraid that people are just going to find the exact one they want and then not pay for the premium service?

Matt: They might; and you know what? Honestly, I am happy with that because, if they wind up registering one of those, I am going to make some money off it too. Now, some folks have recommended that I test that number. So, instead of doing 360, maybe I do one hundred. What kind of effect is that going to have on the number of people upgrading? And moving forward, that is something that I want to test out.

Michael: Yeah, because what if you offer just ten domain names and they are phenomenal? But before I commit to a new website and a business, I want to make sure I do my due diligence and look at all the available options. So, while the ten that you provided have three that I love, boy, isn't it worth \$79 or whatever it is just to take a look at the full list before I make a commitment?

Matt: Yeah, maybe. And that is definitely something I want to test in the coming weeks and months.

Michael: Excellent.

Matt: That will be interesting to see the results to.

Michael: Definitely. So how do you plan to test the number that you offer of domain names for free without people paying and registering?

Matt: So, there is a methodology called AB-Testing. Basically, you show two different versions of the same page, but just with minor tweaks; and then you measure what impact that has on something. So, for example, I can show half the people that are on the site three hundred and sixty results and half ten. And then I can measure, of each of those groups, how many are making it to the payment stage and actually paying me money. And by doing that - by showing, over the same time period, the same set of users and just splitting them in half and showing them different results -, I can get a pretty good feel for what impact that is going to have on the subscription rates. So, it might turn out that showing ten increases my subscription rate, and I might end up decreasing it a lot because maybe people are just pissed of that I am only showing them ten and now showing them the other six thousand that are out there. And also, there are other repercussions of doing this too because, if I

only show ten, I think people are going to be a lot less willing to share it with their friends, for example. Maybe they are going to be a lot less willing to write about it in blog posts. I think about half of my traffic now is from direct referrals and through blogs posts. So, if I limit it to ten or just charge for it completely, I think I am going to see those numbers plummet, and that is going to have an impact on my affiliate revenue as well. So, there are a lot of moving pieces and you have to make sure you do it carefully and interpret the results correctly.

Michael: Definitely. And is it difficult to program your system such that, if I were to come to your website today, you only show me ten versus, if I show up tomorrow, you show me three hundred and sixty results? Is that difficult to do so that you can separate those two pools of people and measure them appropriately?

Matt: There is enough services and tools that let you do that to your site. I would recommend going to something like VisualWebsiteOptimizer.com. They are very popular; and so is another one called Optimizely. Those are kind of the two big players right now. Google used to have a tool called Website Optimizer that would let you do it, but I think they are kind of phasing it out right now and they are going to integrate some sort of simpler version into Google Analytics. But if you are serious about AB-Testing, I would check Optimizely or VisualWebsiteOptimizer. I have always wondered too, like people park domain names. They probably get a lot of traffic over the course of time and through all their sites. It would be interesting to know whether they are AB-Testing their homepages because they could potentially increase their traffic by a lot. I have heard of people that all they did was change the color of a button on their webpage and they doubled their conversion rates, or sign-ups, or whatever it is. And that is not guaranteed, of course, but you can get pretty big wins by AB-Testing. And even if you only get like a five percent gain or a ten percent gain, you throw enough of those together and they can make a pretty significant impact to your bottom line at the end of the year.

Michael: Definitely. And especially if you have, say, one million people coming to your website. A ten percent gain in profit could be significant. But it makes me wonder. How much traffic do you have to

LeanDomainSearch.com that you are able to then do AB-Testing? Do you need a minimum threshold, or can you do it with any number of visitors per month?

Matt: You can do it with any number, but it is going to take longer for you to be sure that the results are good. So, for example, if I have ten people coming to my website, I can show five them one thing and five of them something else, and measure the impact. You will have a number at the end of that, but you will not know whether the number is really statistically valid. So, maybe it was just due to chance that one result happened to be and not the other. So, the more traffic you have, generally, the quicker it is going to be. You could also, instead of just testing two things, maybe you could test five things. It is just going to vary based on your traffic and how much you want to test. VisualWebsiteOptimizer actually has a calculator on their site, where you can plug in your traffic and your estimated conversion rate, how much you think it will improve, and it will actually spit out a length - a duration - that it thinks your test will take.

Michael: Excellent. And so, if I go to VisualWebsiteOptimizer, and let's say that I want to use VisualWebsiteOptimizer for a SaaS business that I have, or maybe I just want to use it on DomainSherpa so that I can optimize the number of people that are opting in to my newsletter list. Put the newsletter sign-up box as pop-up, or put it up at the top, or put it up on the right-hand side, which is the current place where I have it; and I want to measure that. I understand that VisualWebsiteOptimizer will actually allow me to move things around. I think I have heard some interviews of the Owner before. But what about a site like yours, where somebody actually has to come and do a search and you present the results. It is not something like static pieces that I want to move around. Yours is a functioning website, where people may want to look at the results and type in a different search. How do you do that with a third party service, like VisualWebsiteOptimizer.com?

Matt: That is a great question; and maybe it is a little bit more complicated for a site like mine because, like you said, it is kind of integrated into the results and the rendering. So, the website is built on Ruby on Rails, which is a coding framework, if you will. And there are libraries out there for Ruby on Rails that make it easy to do AB-Testing behind the scenes. So it is not just

testing the positioning of a newsletter sign-up or changing the color of a button, but I can really get into the weeds and adjust the number of search results, for example. And the one I use is called A/Bingo, by Patrick McKenzie. It is an AB-Testing Tool that has worked really well for me.

Michael: Excellent. And then, is there just some way that you can tag a user that subscribes with what test result they were - the default versus a different layout?

Matt: So, when you run an AB-Test, the AB-Testing Tool that you use is going to identify, usually, via cookies which user is in which group. And then, when they complete whatever you are tracking, like signing up for a newsletter or paying you for your SaaS service, it will trigger an event, which looks at which group they were in and then keeps track of that. And then you can go and see a report at the end. This is how many times we showed this and this is how many people in each group signed up; and you can get a really good indication that way of what is going to work better long-term for your service.

Michael: Excellent. All right. So, I come to your website. I do a search. I want to actually pay you money. You offer a couple of different options right now. You have a one-time fee. I think it is \$79.

Matt: Right.

Michael: Let's see here. For two months. Is that right?

Matt: Yeah, two months for \$79, or you can pay yearly for \$199. So it is kind of a discounted rate that I offer people yearly. It was a little tricky coming up with those two plans and then the pricing for them, and I actually started out the pricing much higher than I did when I initially transitioned into this SaaS model. But I did not really get a lot of uptake on that. So, for example, I was charging \$299 for the people that wanted to use short-term and I think \$99 per month for people that wanted to use long-term. But I did not really get a lot of taker there, and I think that is just the nature of my traffic. I have got a lot of startup folks who do not have a lot of money that they want to spend a lot of individual web developers who are just starting a website. They do not

want to pay three hundred dollars for this tool. I mean maybe some of them will, but I have had a lot more success by lowering the price to \$79 for two months or \$199 for a year. And I have had people sign up in both of those groups.

Michael: Wow. Yeah, when you were throwing out your initial pricing, I would have thought, as an entrepreneur myself who likes to look at different names and think about different opportunities, that is a lot of money. Where I can go and pull down a list under DomainSherpa for the buying category and look at domain name spinners; and there is probably like fifteen on my list of which I am going to list yours, of course, because it is a fantastic tool. But how do you differentiate yourself from these other offerings that are out there? It seems like almost every registrar has a domain name spinner themselves because they want to provide as many opportunities to you as possible.

Matt: That is true, but I have found that a lot of the other Domain Search Tools out there, and the registrar especially, their recommendations are not very good. So, for example, if you go to GoDaddy and type in something and it winds up being registered, the results that they return are really not very good. They are filled with hyphens. It is maybe the word you typed in spelled backwards, which is un-pronouncable. Again, it has got dashes in it. Crazy results. And like you said, there are a lot of other tools out there too, but I think the quality of the results on LeanDomainSearch is so good that it is worth paying a premium for. Especially, if you look at how long it takes somebody who does not want to buy a premium domain name to find a good site - a good domain name for their product -, you could potentially save a lot of time by using a tool, like LeanDomainSearch, to find a product name. So, that was kind of my idea going in. I would charge higher because the results are so good; and, again, people did not pay it at the higher price point, but they are paying it at the medium price point. So, people are clearly getting value out of it. And, again, because of the way I have structured it, where you can try it out for free, you know what you are going to expect. There are no surprises to these people that are upgrading - what kind of search results they are getting.

Michael: Great. Okay. So we talked about the business model, and how you have changed it from the DomainPigeon.com days to LeanDomainSearch, and how you originally charged more for the service and now you are charging less, and you are playing with that and you are also making money through the commissions. How do you actually get people to come to your website, Matt? How do people find LeanDomainSearch?

Matt: So, LeanDomainSearch. I have had a lot of success with referrals and direct traffic. I have got hundreds of testimonials from people saying how good the site is and how it has helped them find product names for their website. And people have shared it on Twitter. They have written blog posts about it. And I get about three quarters of my traffic just through people sharing it with each other over social media and through blog posts. It has been written up on The Next Web, and SEOMoz it has been mentioned on. I get a lot of traffic that way because people are finding it useful; they like what I have done with the site. And I get about one-third of my traffic right now through search, but I am not really appearing on the first page of the search results right now because it is a relatively new site. I am kind of on like the third page of results. Hopefully, over time, I start ranking well for terms like Domain Search, but right now it works pretty well just doing referral and word-of-mouth.

Michael: Great.

Matt: Now, in terms of marketing it, I have had more success than anything by writing good content - writing good blog posts - that people share. So, for example, I wrote one blog post a few months back, where I looked at all the modifiers for the word that you type in. So, for example, if you type in Red and it pairs it with UberRed, CleanRed, etc. I did this search of all the domain names out there and look at which of those prefixes and suffixes are the most popular to pair with your keyword; and it turns out that 'My' is the most popular prefix and 'Online' is the most popular suffix, which you might have guessed.

Michael: Yeah.

Matt: So I came up with these results and I wrote a big blog post about it, and it got picked up by a lot of domain name websites. And I have written several others similar to that, and they generally do very well because it is unique content. It is content that the audience that is coming to LeanDomainSearch will find useful. And that is generally what I recommend to anybody looking to market their site; is create content for your audience that they are interested in. One mistake I made with previous websites is, on the blogs, I was just kind of blogging about updates to the site, like little improvements to the site here and there. I mean it is easy to do. I updated this and this. And the visitors - the users - that you already have might find that interesting, but you are not really going to get a lot of new users by just reporting little updates to the site. So, write content, which will not only help you with SEO, but it will also get people to share your website, which will drive traffic to you.

Michael: Definitely. So, I can see that you have a blog on LeanDomainSearch. If I go down to the bottom, you have a blog link there. And there, it seems like you are writing full length articles about updates, or about pricing, or about suffixes or prefixes to words that are on the tool. So you are using the blog as a way to bring in links to your website, which will help drive your website to the top of the search engine rankings as well.

Matt: Exactly.

Michael: And bring in referral traffic.

Matt: Yeah.

Michael: Excellent. And then, you also have a blog over at MattMazur.com. Is that correct?

Matt: That is correct. That is kind of a more personal blog. It is not directly related to any specific product. It is where I have kind of written about some of the products I have built in the past and lessons learned from those. But it is tricky. If you have a person blog and you have a blog for your product, and you have this great content you want to write, do you post it on your personal blog or do you post it on your product blog? Because I simultaneously want people to go to my personal blog and contact me and read my stuff, but I also

want to drive traffic to my product. So you have kind of got to decide where you want to post the content - where you want to drive traffic. So, for example, I have not posted a lot to my personal blog lately because I kind of decided that, if I am going to write something that is going to get a lot of traffic, I might as well have it going to one of my products - what I am going to actually make money off of.

Michael: Definitely. Yeah. And how much traffic do you have on the LeanDomainSearch.com website right now?

Matt: I get about nine thousand uniques a month right now.

Michael: Nice.

Matt: I get about one thousand searches a day by about two hundred and fifty to three hundred uniques. So, each person makes, on average, four to five searches; and like I said, I get about one thousand searches a day and thirty thousand searches a month right now.

Michael: Great. And are you using PayPal as a merchant account, or do you actually take the person who is interested in paying for your service and extract the money from them?

Matt: So, this great new service launched recently. It is called Stripe.com; and they let you accept money directly on your website without having to set up a fancy merchant account or anything like that. I have done that in the past. It is a major pain to set up a merchant account and get all that going. Stripe makes it kind of ridiculously easy to accept payments on your website. It is a little (Unclear 38:29.6) to go into how they do it, but basically, you set up SSL. So you have HTTPS on your site, so the traffic is encrypted. And then, via JavaScript, they will accept your user's credit card information, send it back to their servers, charge them, and then send back a little confirmation to you. So, the user's credit card information never actually touches your servers, so you do not have to go through all the crazy PCI compliance rules and things like that. A lot of startups are moving to Stripe because they do make it so easy and it is cheap too. They just charge, I think, 2.9% plus thirty cents per transaction. There are no recurring chargers or anything like that.

And a big reason why I am experimenting with my pricing now is because Stripe does make it so easy. So, I encourage anybody that is looking to charge their customers to check out Stripe.

Michael: Definitely. And so, it is an alternative to PayPal, where PayPal is pretty easy. They have done a good job making it somewhat transparent and walking you through the process to take money from people, whether it is a one-time charge or a recurring charge. But at PayPal, they require you to sign up for an account, and that turns off a lot of people.

Matt: It does. And Preceden - the web-based Timeline Maker that I also run -, for most of its existence, I have used PayPal. And people know PayPal. They are comfortable with that, but there are also several extra steps in it. You click on Upgrade, then it takes you to the PayPal sign-in screen, you put in your credentials, and then it show you the summary of what you want to buy, and then you click buy it and it takes you back to the site. So, there are like a lot of steps in there. And I do not have data to back this up, but I think people would get to PayPal and decide, for whatever reason, they do not want to go through the whole process. Or like you said, maybe they do not have account. I think they do have an option now, where you do not have to have an account. You can pay with a credit card, but still, it is extra steps whereas now, you can go right on the site, just type in your credit card information, hit submit, and you are done. And every step along the way, where you simplify things, it is going to increase the conversation rate and your traffic along the way too.

Michael: Yeah. As soon as that came out of my mouth, I should have clarified it. If you make a one-time purchase, I believe you do not need to sign up for an account; that you an enter in your credit card information. But if you want recurring payments, then they actually require you to sign up for an account. And that is what I was referring to. So Stripe sounds like a great opportunity. Using JavaScript over HTTPS to communicate to them and come back. A much more transparent process to the user. Does the credit card payment that shows up on their statement actually show your business name, Matt, or does it show Stripe, or how does that show up?

Matt: Stripe is really elegant. So, basically, on the Stripe website, on the settings page for your site, there is a little textbox where they ask: "What do you want it to show on your user's credit card statement?" So, I have one account for Preceden - my Timeline Tool -, where it says Preceden.com. I have got one for LeanDomainSearch, where it says LeanDomainSearch. It is really seamless. It is very well thought out. I feel like I am selling Stripe here.

Michael: I know. You should get a commission for it. You are doing a great job. And I think a lot of people are tired of PayPal. PayPal has pretty stringent requirements. If you suddenly start selling a ton of products, they will shut down your account, or they will lock it down and not pay you the money that you have made. And I have not heard anything about Stripe doing similar types of activities.

Matt: Yeah, I have heard a lot of horror stories about PayPal. I think they got a new CEO recently, and he is trying to improve things, but I have not heard one bad thing about Stripe. I have not had any issues with them nor did I with PayPal, but I just love how easy Stripe is to integrate into your site. I highly recommend it.

Michael: So, we talked about the business model. We talked about how you basically doubled your revenue by moving to a SaaS model, where you are charging subscriptions now in addition to the commissions. What are your goals for the future, Matt? How big do you think you could make it?

Matt: So, for LeanDomainSearch, it is kind of funny because I see people on Twitter all the time asking and saying, "Hey, I am trying to find a domain name. This is impossible. And I do not want to buy a premium domain name." So I usually send them a message saying, "Hey, check out LeanDomainSearch." And the response I get a lot of the time is: "Wow, this fantastic. Thank you so much." And so, for LeanDomainSearch, and probably a lot of other products out there, I feel like I barely scratched the surface of the audience that could benefit from it. If I can do a better job of marketing it and getting the word out there to everybody that can benefit from LeanDomainSearch, I think I would do pretty well. I have a friend who runs this Bingo Card Creator website. It is for teachers. And he said, when he started this thing, he thought he would never get more than like ten thousand

people using it. He thought there was such a small audience for it. And now he has got several hundred thousand users, and he says he still feels like he has not even scratched like one percent of the people that could use it. That is kind of what I have learned too; is the world is a pretty big place. There are a lot of people who are out there searching for tools and, if you are solving a problem and you can get that solution to your customers effectively, you are going to do pretty well. And so, it is my challenge, as the Creator of LeanDomainSearch and these other tools, to market it better and find ways to reach the people who need this tool. So, again, that is what I am going to be focusing on a lot in the coming months. And also, one thing I do want to do with LeanDomainSearch is right now it just focuses on available domain names, but there are going to be people that are willing to buy premium domain names. They are going to want that higher quality and they are going to have the money to pay for it. So, why not include those in the search results as well? And so, I am starting to look at ways I can incorporate premium domain names into the search results. Maybe a little section up top, where it shows you the best ones along with their prices; and if people want that, then they are going to have the option to do it. And so, I would really like to build up a large collection of premium domain names that I can include in relevant searches too. So I am excited to see where that goes.

Michael: Two years ago, when I was preparing to launch DomainSherpa, I was using all of the name spinners. I was not aware of LeanDomainSearch at the time. I am not sure if it was around two years ago, but I tried all of them looking for a domain and then trying to find the social media handles that were available for the domain also because that is a big consideration nowadays. You want something matches on the social networks to the domain name. And it was difficult to do. I ended up having to reach out to owners of the domain names to make the purchase directly, and I think I ended up buying DomainSherpa.com for five hundred dollars. Well, one reason was because the Twitter and the Facebook handles were still available. So that would be tremendously beneficial if you incorporated one of the, or many of the, domain name marketplaces in. Do you know which marketplaces you are targeting to be included in the search?

Matt: I do not know yet. I just started looking at it; and different ones, it seems, make it easier than others to take their data and use it on your own

site, so I still need to do some additional research. Kind of funny story. The word Sherpa is one of the keywords that I pair with your search results, so had DomainSherpa.com been available and you had searched for Domain on LeanDomainSearch, DomainSherpa would have been one of the available results.

Michael: Yeah, Sherpa is a good one. There is MarketingSherpa. I think there is one other big Sherpa site out there. Anyways, we get Sherpas like you to come on and teach us different topics. So, back to marketing. You mentioned a tactic that I thought was very useful. So, you do searches on Twitter for anybody using the word domain. And then, if you see people confused about, or having difficulty, purchasing domains, you will actually reach out to them with an @Username and say: "Hey, check out LeanDomainSearch.com"?

Matt: Exactly. So, I use a Tool called Tweetdeck for the Mac, which lets you plug in certain search terms and it will show you who is typing those in. So, I tried Domain Search, but you wind up getting a lot of garbage results with just Domain Search. So I actually do Find A Domain Name right now, and usually between probably twenty people per week are going on Twitter and saying: "Man, I cannot find a domain name." And then I see it and I am like: "Hey, go check out LeanDomainSearch," and so that drives people to the site that way. Usually, people are pretty appreciative because they are venting their frustrations and you are reaching out to them. Now, one thing I try to do is not make it seem spammy. So, I try to tailor each tweet to the message that the person sent out. So it is kind of customized. I try to put the people's first name in there, saying: "Hey, Max" or whatever. That way people know it is not spamming. It is just something I would recommend to try this.

Michael: That is exactly what I was going to ask. Is there a way to automate Tweetdeck to look for search and then reply back with a result to save you time, but you are saying that it is much appreciated by recipients if they get a customized message to their specific requests.

Matt: Yeah.

Michael: And then you can filter out the ones that are not actually asking for search tools.

Matt: Exactly. And I am not sure exactly about Twitter's terms of service, but they might have rules against automatically sending messages to people. So I try to make it as less spammy as I can. That way it is less likely to get in trouble.

Michael: So you mentioned blogging, which is a way for other people to find interesting content, write their own content, and link back to your content. You talked about outreach on Twitter. You talked about rising up the search ranking; that you are maybe on page three and I am not sure what people are searching for, but you are probably targeting a whole host of different topics by writing those blogs and hoping that they come to LeanDomainSearch.com. What else are you doing to drive more people to the website to get them into the funnel? So, Matt, what else do you do to market the website and get more traffic?

Matt: So, if I could talk about Preceden for a second, there might be some good lessons learned there. So, with Preceden, again, it is this web-based Timeline Maker. People go to the website. It is a lot of students who are using it to make projects for their classes. It is a lot of teachers who use it to make aids for lesson plans. Also, we have some businesses using it, project managers, etc. But, for Preceden, I have different sharing options. And, if you want, you can share the timeline you create. And then I have got this shared timeline page, which people can then go browse if they want to explore other people's timelines. But one benefit of this, which I did not really appreciate until recently is that every time somebody shares one of their timelines on this page, it gets indexed by Google. And over time, all this content that people are creating winds up ranking in Google's search results and people wind up linking to it. So, for example, if you search for Revolutionary War Timeline on Google, one of Preceden's timelines will appear in the results and you will wind up coming to Preceden. And it is this kind of magical thing, where I am not writing any blog posts, I am not creating any content on my own, but my users are creating content. And with thousands of users creating content, it is like they are doing all my SEO for me by creating all this amazing content. And I think that has really had a huge impact on my rankings over time; and even in the last three months or so, I have gone from the third page of results for a lot of stuff to the top three for a lot of search

terms. And I attribute a lot of that partially to some of the changes Google has been making, but a lot due to this content strategy. I have heard people refer to it before as scalable content creation, where your users are creating content, which is getting indexed by Google, which is driving more users and more content. So, like I said, it is really this magical thing if you can get it to work, where you do not have to create content on your own, but your users are creating content for you.

Michael: Right.

Matt: If you can find a way to make that work for your business, I highly recommend trying it out.

Michael: Definitely. Yeah, user generated content, or UGC. And the beauty about it also is that many of those students and teachers will link to their Preceden timelines from their .EDU accounts, from their blogs, and from their open syllabuses. So, that drives even more links back to your website, which then increases your authority and moves you up the ranking not only for your homepage and your five or ten pages that run the site, but also for those long-term tails, like Civil War or History, where they do the timeline of everything that happened during that time.

Matt: Yeah.

Michael: Yeah, so that is a fantastic way to use users to generate the content and get links back to your website. What do you do for LeanDomainSearch in a similar type of fashion?

Matt: So, I have been trying to find ways where I kind of take that idea of getting automatically created content and somehow integrate it into LeanDomainSearch. The problem is there is not a lot of user generated content. And I could, for example, some people have recommended to me that I look at what terms people are searching for and go register domain names related to that. I think it is called Domain Name Front Running, which is really shady and I do not want to get into it. I kind of have this strict policy, where I am not going to use anything you search for. I am not going to share

that with anybody else. So it is hard to do user generated content when the only content people are creating is something I want to keep private, right?

Michael: Right.

Matt: But I think there is a lot more I can do in terms of automatically generating content related to domain names. You asked before how I did the domain search for DomainPigeon, and I mentioned I did it through WhoIS. Again, WhoIS is small though. So, for LeanDomainSearch, I kind of took this other route, where I look at the .COM Zone File, which is this massive file that lists all the registered domain names. And I have come up with ways to query that to determine whether something is available or not; and that is why it is much quicker than doing the standard WhoIS search. But through doing that, I have come up. There are a lot of interesting results. Like I mentioned before, you can figure out the best prefixes and suffixes, and you can also figure out like what the most popular keywords are, looking at all the registered domain name. So, there is a lot of interesting analysis I can do, and I am thinking maybe there is a way I can automate that so that, for example, I think it might be interesting month-to-month to see what topics people are registering domain names for, like what is rising. So, maybe, with the election coming up, more people are registering Obama or Romney-related domain names. And I want to come up with a way to automate that process so I can spit out these reports showing over time trends in domain name registrations; and maybe I can automate that and that can be kind of my automatic content strategy, which will get indexed and people will share, and things like that. But it is definitely a lot trickier with LeanDomainSearch than Preceden.

Michael: Yeah, definitely. Yeah, can show that domain names with binders are suddenly higher this month than last month.

Matt: Exactly.

Michael: So, one of the things I was thinking when you were talking, Matt, was you could create indexed pages of the keyword searches that people were doing. So, if I come to your website and I type in Binders, you can show me what looks like a static URL to a search with the word binders. But if your

privacy policy says that you do not reveal anything, even though it is just a keyword search and you are showing three hundred and sixty results, I am not sure if that is a viable option. So you are still searching for ways to, within privacy safe sentiment, display user generated content.

Matt: Exactly. And kind of like you said, sometimes you will search for Binder and, obviously, who cares about the search results that are there. But you get a lot of people searching for their name, for example, and it would be hard to automatically filter those out to let those maintain their privacy. So it is not really a road I want to go down. I would like to find a way to create that kind of content without divulging what people are searching for.

Michael: Yeah. All right. Let's talk about Google for a minute. Did you notice any changes after Google did their latest algorithm or any of their latest algorithm changes - Penguin, Panda, the Exact Match Domain Algorithm Update? Any changes to your websites that you noticed?

Matt: Like I said, Preceden - the Timeline website - has done really well in the last few months. I use this Tool called Serpfox to track my search engine rankings over time. And since I started tracking it in May or so, I have gone, for Preceden, from the third or fourth page of results to, across the board, first page of results. I am, usually, about three or four for most timeline terms right now. And it is hard with Google making so many changes to know exactly which of those have contributed and also, I have got more people creating content. So you have got all these things going on at once and it is hard to attribute any of those to the increase in search result rankings. I would like to think though that the site does have a lot of quality content on it and it is getting rewarded for that; and maybe some of the things that ranked higher for timelines in the past are no longer getting ranked as highly because of some of these quality changes that Google has been making.

Michael: Yeah. Okay. Serpfox.com. I have used SerpBuddy.com; and I think they have a freemium model as well, where they will track a certain number of websites with, again, search phrases and e-mail me, I think, per week. Is Serpfox.com the same - a freemium-type model, or is it free?

Matt: It is not freemium. They do not have a free version, but it is very affordable. I think their cheapest plan, which I am on, costs ten dollars a month and lets you track up to fifty keywords, which for my purposes is all I need. And they have some higher tiered ones. I want to say their highest one is maybe \$199 a month and lets you track up to two thousand keywords, but for me, ten dollars a month is great. I was using SEOmoz before. I think that was \$99 a month.

Michael: It is expensive. Yeah.

Matt: It is expensive and I was not really using all of the premium features that they offered. Really, I was going there and checking my ranking, right? But I do not need this rocket ship to just track my rankings. Something like Serpfox was much better suited for me.

Michael: Definitely. Right now you have got four businesses. You are going to be shutting down two of them soon, which we are going to talk about. You have got two others running and then you have got your own website - MattMazur.com. Do you run these off of a single server? Do you have a hosting account with multiple VPS accounts? How do you run it?

Matt: So, for Ruby on Rails, the program I (Unclear 58:53.2) Ruby. There is a framework that makes it easy to do web development with Ruby, called Ruby on Rails. That is what I use to do all of my sites. There is a site called Heroku. It started out as Ruby on Rails hosting; now they branched off into other frameworks as well. But I use Heroku to host all of my web apps. MattMazur.com, my personal blog, is hosted on some GoDaddy shared server. It is a small thing, but Heroku makes it really easy to manage and host Ruby on Rails Applications. Heroku is based on the Amazon Cloud, and so it is really seamless. Most of the time, it works really well. If I get a lot of traffic, for example, with a click of a button I can scale it to handle that traffic and then, when the traffic dies off, I can scale it back down. That makes it really easy. And I have not had much downtime, but for example, yesterday, Amazon had some problems in, I think it was, West Virginia.

Michael: Yeah.

Matt: They had problems with one of their data centers, and all of my sites went down for like six hours. And there was not a whole like I could do because I was completely reliant on them. But other than the occasional downtime like that, I have had a lot of success with them. I love how easy it is to host Ruby on Rails sites with Heroku and Amazon.

Michael: Yeah. Well, you were in good company yesterday. GitHub, I think, went down. Heroku. Reddit.com went down also. So, yeah, it is hard to say: "Hey, yes, I am down and I am small," but Reddit went down too. Come on. All right. Let me ask you one question. You have got LightstoneSoftware.com. That is the overarching company for these web apps that you are developing the Subscriptions as a Service - Software as a Service. Do you do consulting for others that want to develop their own Software as a Service business as well?

Matt: I do not right now. Right now, I really want to just focus on my Software as a Service Businesses. Like I said, I left my day job about a month ago to focus on these, and I would like to devote my full energy to getting them off the ground ideally to a point where I can make good monthly income and do that long-term. Maybe, down the road, I can get into some sort of consulting to either supplement my income or do that fulltime, but not right now.

Michael: Great. All right. So, I want to talk about Preceden - the easiest way to make a timeline. Now, I did not even know I had a need to make a timeline, Matt.

Matt: A lot of people do not, but then they see it and they are like: "Hey, this could be interesting."

Michael: Well, and you have got some fantastic examples of why people may want to make timelines. We have mentioned a couple of them here. Teachers may want to share timelines of historical events with their students. Managers may want to plot their business milestones, which I have wanted to do; and I have put it on a blog and it does not necessarily have the same sort of impact. Genealogy research may want to do this. I am reading this from your webpage. Criminal Justice Professors create timelines showing events leading

up to a crime. Authors create plot and character timelines so that they can organize it probably in their own mind. Job hunters may want to use Preceden to visualize their employment history. Lots of great ideas. What was your original idea to create this service?

Matt: So, the one use case to which I think everybody can relate to, and it is actually the example on my homepage; is a biography. Now, the way Preceden works and why it is different from a lot of the other timeline tools is it lets you create different layers to group events. So, for example, if you were creating an autobiography of your life, you could have one layer that shows all the jobs you have had. Another layer with your relationships. Another layer with your education. And you can see how all of these things line up in time. Whereas most timelines will just kind of jumble it all together and it is hard to interpret, this way, with different layers, makes it easy to visualize. And I think that is why a lot of teachers have found it particularly useful. Because you can have a timeline of a specific period in history, and you can show the political leaders are, you can show what different wars are going on, different milestones going around in the world, and all these relationship that you would not normally see because these other timeline tools do not support that kind of thing. I originally got into it because I was still in my day job and I was working on my web apps full time. Kind of these two different tracks, if you will, and I wanted a way to visualize it. And so, I looked at the other Timeline Tools out there. I did not really like what they offered, so I decided to build this tool for myself, which I think has been a good approach. Good and bad. If you build a tool for yourself, you kind of know what the problem is. You have a good idea of what the solution is going to look like. But if you go down that route - and we will talk about this with my other products -, make sure you are also talking to your customers so that you are not just building something for yourself that is this niche (Unclear 1:04:09.3) that nobody else is going to want.

Michael: Right. Well, I had no idea that timelines were of interest to people, to be honest. I have got a timeline on Facebook. They forced me to do it. I did not even know why I needed a timeline. How many users per month do you have on Preceden.com?

Matt: So, right now, I am getting about twenty-five thousand visitors a month on Preceden.

Michael: Wow.

Matt: Yeah, and we are generating something like one hundred and fifty thousand page views. And I get about ten percent of those sign up and create an account, and then about five percent of those will wind up upgrading and paying.

Michael: Five percent of the ten percent.

Matt: Five percent of the ten percent. Yes.

Michael: Got you.

Matt: Well, that is going to change because I just switched to this Software as a Service model. So, in the past, when I was just charging once for people to use it, I was looking at a conversion rate, usually, between three and five percent. So, of the people that signed up, about one in twenty were upgrading and paying me thirty dollars to upgrade. Now, once you move to a Software as a Service model, your conversion rates are going to drop some. It would seem like maybe it will not drop that much because I am charging about one-third the price that I was; and if you only need to use it for a short time, that might make it more appealing, but I found that people are less willing to sign up for a subscription service because, for whatever reason, they are maybe worried they are going to forget about it, or maybe they think, because they are signing up monthly, that they do need to use it long-term, which is not the case. So, now, instead of that three to five percent conversion, I am looking at something between 0.5% and 1% conversion, which is about standard, I think, with Software as a Service models.

Michael: Yeah.

Matt: But I have dropped the number of people paying, but I am also increasing the lifetime value of those people because they will be staying with it longer. So, we will see, long-term, how the math works out, but I am

optimistic that, long-term, I will wind up making more money by charging monthly than I will with charging once, even though I will have had people paying once.

Michael: And I see that Preceden is free to use for ten days and then it costs fourteen dollars per month to continue using it. So, how do you decide how long the trial is going to be and how do you decide how much you charge for month? It seems completely arbitrary to me. It could be five dollars a month. It could be fifteen dollars a month. You picked fourteen.

Matt: It is a little bit arbitrary, and something I am going to be doing is tweaking those numbers. So, I chose ten days just because I wanted people to really get into the service, add a lot of content, and see how it benefited them before asking them to pay. If they are not going to be using it for more than ten days, I do not really want to charge them to use it. I mean I could make some money there, but I think there is more value in getting the people to use the service, really seeing how it can benefit them on whatever project they are working on; and then, if they do want to use it long-term, then they can pay me. As far as the fourteen dollars a month goes, admittedly, that was a little bit arbitrary. Twenty dollars a month seems a little bit high. I mean that works out to two hundred and forty dollars a year, which I think is a little bit much for a Timeline Tool. At the same time, something like five dollars a month. I think it would be hard to make a significant amount of money by charging five or nine dollars a month. So, fourteen dollars it was.

Michael: So that is the kind of thing that you can AB-Test, or ABC-Test.

Matt: Exactly.

Michael: You can put it at \$4.99, you can put it at \$9.99, and then you can leave it at \$14, and see, over the course of a month, how many people are signing up, how many people are renewing, and then look at the lifetime value and the sentiment that you are getting on Twitter, or Facebook, or what have you along with that; and make you decision with that data.

Matt: It's funny. I actually found that a lot more people are signing up now than they were before because I think they are not dismayed. Before, you

could only add five events to your timeline. So, it was enough to try it out and see what it was about, but you could not really create a good timeline with it by only adding five things to it. But now you can try it out for ten days without restrictions. You can add as many things to it as you would like. So, if you are a student and you have a project that you need to make for your history class, before, you could sign up, but you could not really create that timeline using my tool. Now, you can sign up, create that timeline, and be done with it. So I think people are signing up more now because it is not limited like it was before. But again, now my whole business model has changed and we will see. Maybe it is not going to work out. Maybe I will have been better off charging \$39 once instead of the ten-day trial plus \$14. So, we will see.

Michael: All right. And are you going to tell us when you learn that lesson, Matt, whether it should have been changed or not changed? Are you going to post that onto MattMazur.com?

Matt: I almost definitely will because I think that is something that a lot of people could benefit from.

Michael: Yes, definitely.

Matt: A lot of people might be in the same spot.

Michael: Yeah. Do you have development plans in place for both, LeanDomainSearch and Preceden.com? Future features and functionality that you know you want to add over time to enhance the functionality of the website?

Matt: So, if you have not gotten it by now, I am like a developer at heart, right? I like building stuff. And one of the hardest things for me transitioning to doing this fulltime and trying to make a business out of it is to get out of that building mindset. So, instead of opening up my text editor and start typing code to improve some features, I am trying to transition away from that and market the stuff that I have better instead of just adding on new features, which can go on indefinitely. So, for example, LeanDomainSearch is a pretty robust tool. It is pretty good. I think, moving forward, I am

probably going to be spending eighty percent of my time marketing it and twenty percent of the time building it because that is really what I need to do to turn this into a business.

Michael: Definitely. All right. Let's talk about the two websites that you have decided to close down. One of them is called LeanDesigns.com and one of them is called LucidTracker.com. Can you give a one-sentence summary of what these two websites did, or do?

Matt: Yeah, sure. LeanDesigns is a web-based Web Design Tool. So, you can go on there and create a website by dragging stuff onto the screen. And then you click on a button and it gives you all the HTML and CSS necessary to generate that webpage. LucidTracker is a Daily Life Tracking Tool. So, there is a group of people that like tracking things that are going on throughout their day, like how much they have slept, maybe what they have eaten, and/or whether they have exercised. And the idea is that, by tracking it, you kind of become accountable for it, and you can improve those things over time.

Michael: Right.

Matt: So, especially if you have a lot of things going on in your life, something like LucidTracker makes it pretty easy to track, and see trends, and make improvements.

Michael: And both of those seem like great tools. In fact, I have thought about using Tools like LucidTracker before to track things like how much sleep I get, how much reading I do per day, how many times I walk the dog in a week, or what have you because you cannot improve what you do not measure. And so, measurements like that are useful. I think there are other tools out there that do that.

Matt: There are, and there is one just launched by some of the folks involved with Twitter, called Lift, which has gained some traction lately. And like you said, there are a lot of other tools like that too, but for both of these tools, the devil is in the details. So, for LeanDesigns, for example, my goal with that was to kind of compete with Photoshop because a lot of web designers use Photoshop to design websites before they go and code them because it can

save them a lot of time doing it that way. And so, my idea was: "Photoshop is not this Web Design Tool; maybe I can build this Tool that is just for Web Design and, oh, it will also generate the webpage for you. Wouldn't that be great?" So, I went and built this thing. I spent probably about a year working on it, and I kind of realized, at the end of it, that I had this big problem because beginners - people who do not have any web design skills - are not going to be able to drag and drop a bunch of stuff onto a page and make a good looking website. They do not have design skills, which is why they are using a tool like this, so they are not going to be able to make something that looks good. And then, it generates this HTML and CSS, and they are not going to know what to do with it because they are beginners. So, beginners are not a good market. So, then maybe you look at like the professional designers. Well, LeanDesigns is good, but most professional designers are already comfortable using Photoshop and can probably Photoshop from their dead hands because they are comfortable with that. It is very flexible and they can do what they want with it. And also, they are going to want to code the site by hand. They are not going to want this auto-generated HTML and CSS.

Michael: Or they are going to be using a Content Management System to structure the whole website to look similar.

Matt: Yeah, exactly. So, I kind of wound up with this Frankenstein tool that is like, technically, it works and you can go to it and create a webpage, but how can you charge for something that beginners are not going to use and experts are not going to use; and there is not really a medium ground in there. Maybe there is, but I decided, after looking at it and trying to make it work, that it would take too much reworking and too much marketing to do it, so I am electing to shut it down. It is actually shutting down next week. End of an era. A little sad too because I could not make it work.

Michael: How many customers are on LeanDesigns.com right now?

Matt: I was charging originally and I moved away from that because I was not getting a lot of people to sign up and I wanted to encourage people to give me for feedback. So, my idea at the time was to make it free, which is debatable whether that was a good idea or not. But the number of people who

have signed up is somewhere around three thousand. I do not know how many of those are active right now. I am guessing not that many because I do have this big banner saying that we are shutting down.

Michael: Right.

Matt: And like I said, there is problems to begin with. Are people who are signing up going to be using it long-term? The data says no, they are not going to be.

Michael: All right. What about LucidTracker? That seems like something that a lot of people that are on LifeHacker.com want to do, or as you mentioned, the Founders of Twitter are creating themselves something similar to that. Why did that idea not work?

Matt: So, like you said, you hear this idea and you are like: "Man, that seems like a really good idea. I want to try that." So, for example, I launched it and I had something like eight hundred sign-ups in the first day. So I was like: "Oh my God, maybe this could really take off." So, eight hundred people use it on the first day. On the second day, of those eight hundred, four hundred people continued using it. After the third day, two hundred people used it. And after a month, I had about ten people out of those eight hundred using it still. And I was trying to charge for it too and, of those ten people, nobody was willing to pay for it. So, it is like it is an interesting tool and people were like: "Yeah, that seems really interesting." But challenge is getting them to pay for it and getting them to use it long-term. And if you cannot do either one of those, it is very hard to turn it into a business. So, again, it is a neat tool and there were people using it when I elected to shut it down and put this announcement up that I am shutting it down; and they were upset, but nobody was sending me angry e-mails demanding that I keep it up, which kind of gives you an idea. It is like this is nice to have this fun little tool, but it is not something I am going to get people paying a lot of money for. It is not something I am ever going to be able to turn into a business. Now, nobody was sending me any e-mails to keep it running on either site, so I debated for a long time. Why not just keep these two sites running? Maybe something will happen down the road, where I can turn it into a sustainable business. Maybe it will get picked up by LifeHacker, or TechCruch, or who knows

what. But it is really hard to develop and market many different projects at once. When you are working on it in your spare time, it does not really matter how much money you are making. You just kind of doing it for fun. But as soon as you start depending on that revenue and you do have to do a lot of marketing, it is very hard to do that across many things. And there could even be an argument to be made that I should only focus on one thing instead of two, but luckily, the two things that I am sticking with are bringing in money. So, I am electing to shut down the other two things so that I can focus on the things that are making money; and I think that is going to be a good longterm decision, even though, like I said, it is a little bit painful now.

Michael: Yeah, definitely. What if somebody is watching this show, Matt, and they are like: "Oh, I love that idea. I want to buy that website and domain name off you." Would you be willing to sell either of them?

Matt: Yeah, send me an e-mail. [Matt@LeanDomainSearch.com](mailto:Matt@LeanDomainSearch.com).

Michael: All right. So, either of those, if those are of interest to you. And I am sure the websites are going to be down by that point, but maybe you will just leave the homepage up so people can look at them if they are interested; if they think they want to try and make a viable business out of it. What would you say is the one thing that you should have done prior to starting work on either of those business ideas?

Matt: So, like I said, I built these to solve my own problems. LeanDesigns, with the web design, which I was learning at the time and LucidTracker to do this daily life-tracking thing. So I built them to solve my own problems, which is good, but it is so much more than that to turn it into a business. You need to make sure that you have a very specific audience in mind. For example, with LeanDesigns, if you had asked me whether I was building this for beginners or professionals, I would have been like both, but you cannot build a tool for both. You really need to pick a narrow audience and talk to those people. Tell them what you are working on. Ask them if it is something they would be willing to pay for because otherwise you run this risk that you spent a lot of time, like I did, building something. You made assumptions along the way and those assumptions turn out not to be true. And you will spend a year working on it and launch. Do not spend a year working on it and

launch, by the way. Do it much quicker than that. But you will wind up wasting a lot of time. So, talk to your customers, validate your assumption, and make sure that there is going to be a good way to make money if that is your goal.

Michael: Yeah. Now, I noticed a couple of your websites use the word Lean in it. Were you influenced by Lean Startup by Eric Ries, or were you influenced by Lean Manufacturing Principles that you learned in the Air Force? What is the use of Lean so much in the domains?

Matt: The Lean was influenced by the Lean Startup Movement. And those of you who are not familiar with it, it is this idea that you should not spend a year working on something in your basement without talking to anybody. You should talk to customers; make sure the thing that you are building is going to solve their problem. And then get something out there very quickly to validate the assumptions and start getting real feedback from your customers. So, that is kind of the Lean Startup Movement in a nutshell, if you will. So I was heavily influenced by that, and so LeanDesigns, which came before LeanDomainSearch. I was kind of trying to piggyback on that idea, where you could design this website very quickly, get it out there, get feedback from your clients or whoever, and so I kind of like the name. Piggyback on a Lean Startup Movement and it is a web design tool - LeanDesigns. LeanDomainSearch. Similar idea, where I was creating this simple Domain Search Tool, and so Lean seemed like a good way to go since I had just done it with LeanDesigns. And that is how the names came to be.

Michael: Great. All right. I have got a business idea for you to pivot on - and I hate that word pivot - LeanDesigns.com. I think it might work, so I am going to share that with you right after the show here, Matt. So, I want to ask you a final question. Wayne Nelson, our Producer who spoke to you before the show and asked you a bunch of questions, did a lot of research on MattMazur.com, which is your personal blog. And he found an interesting story called The Poker Bot Story. Can you tell us a little bit about that story and what lessons you learned?

Matt: So, in college, I got into online poker and made some good money there, but my developer side kind of took over at some point and said,

"Maybe I can build this tool that will play for me, and then I can just leave it on and not even have to play, and just make money that way." So I got into that. It took a while to build. From the time I started working on it to the time that it was profitable and eventually shut down, I probably spent about two years on it. So I spent quite a while on it. I eventually got it to the point where it was profitable. It took a while. It turns out it is hard to build a Poker Bot. So I spent a lot of time on it. I learned more about Texas Holdem than I ever wanted to know. So, kind of at the end of it, I spent up two years on this thing, it wound up getting shut down by the site I was running it on. Like I said, I got it to the point where it was profitable and was like: "Hey, this is easy money," so I left it on probably a little bit longer than I should have. I probably exceeded some normal limits and eventually my account was shut down and that was the end of my Poker Bot. Now, I could have probably created another account, but I was kind of ready to move on at that point. So, I was thinking: "What do I want to do next? I just spent these two years working on this Poker Bot. What do I have to show for it?" It is not like you can put on a resume: "I built a poker bot." I mean I guess you can, but it is a very limited skill set you are learning by building something like that, and it was not applicable to a lot of the other stuff that I had in mind. So, I decided that if I was going to work on something anymore, it would be something that other people would use and something where I could learn new stuff, and would hopefully produce longterm good results. So, that is actually what kind of inspired me to get into startups because I figured if I am going to be working on something for so long, it might as well be something that is legitimate, if you will. So, that is how I kind of got into startups from my online poker days. I have written a lot about it on the blog. How it worked, and I have got screenshots from when it got caught by the site, and some exchanges I went through with the online poker site. And they were good time.

Michael: Yeah. Well, I love that. You are going to class and you are making money while you are at class. What could be better than that?

Matt: Yeah. But it is tricky too. People are like: "Maybe you want to work on another project right now." I have got these two or four projects. Maybe you want to work on something else. But it takes a lot of time to get a new project off the ground, and every minute you spend working a on a new project is

one that you could have been spent working on another one. And so, that was kind of like the Poker Bot. I spent these two years and nights and weekends working on this, but what if I had spent that working on a startup? Maybe I would be two years ahead of where I am right now. And I think, like I said, good experience, but if I could go back and kind of talk to my younger self, I would say: "Maybe skip the Poker Bot; work on a business. Work on learning marketing, and startups, and Ruby on Rails, and things like that." So, live and learn, I guess.

Michael: Live and learn. Although I would agree that you did learn a lot about artificial intelligence, about automating computer systems, and about a lot of different things. And I am not sure if you used Ruby on Rails as the framework for the Poker Bot, but I see an awesome little icon and little dude on that website that will allow you to sign up. But a fantastic story.

If you have a follow up question, please post it in the comments below and we will ask Matt to come back and share more insights with you. If you would like to follow Matt Mazur and Lightstone Software, you can do so. You are on Twitter, right, Matt?

Matt: Twitter is @MHMazur.

Michael: Matt Mazur, Lightstone Software, and Developer of LeanDomainSearch.com, thank you for coming on the show, sharing your development knowledge, and thank you for being a Domain Sherpa for others.

Matt: Thank you Michael. I appreciate it.

Michael: Thank you all for watching. We'll see you next time.

**Watch the full video at:**

<http://www.domainsherpa.com/matt-mazur-lightstone-interview/>