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iPhone Developer Days – London, UK

June 25, 2010

LESSONS LEARNED FROM CLOSED SOURCE, OPEN SOURCE, AND STANZA

WHO AM I?

- ✘ Board of Directors, Tasktop Technologies
- ✘ Previous Employers:
 - + CEO, Lexcycle
 - ✘ Acquired by Amazon.com in 2009
 - ✘ Left Amazon.com last month
 - + COO, SpringSource (open source software company)
 - ✘ Acquired by VMWare in 2009
 - + President and Co-Founder of SolarMetric
 - ✘ Acquired by BEA Systems in 2005
 - + Exxon Research & Engineering, Andersen Consulting, TechTrader, MIT Blackjack Team
- ✘ BS from MIT, MS from Stevens Institute of Technology, MBA from Univ. of Chicago Booth

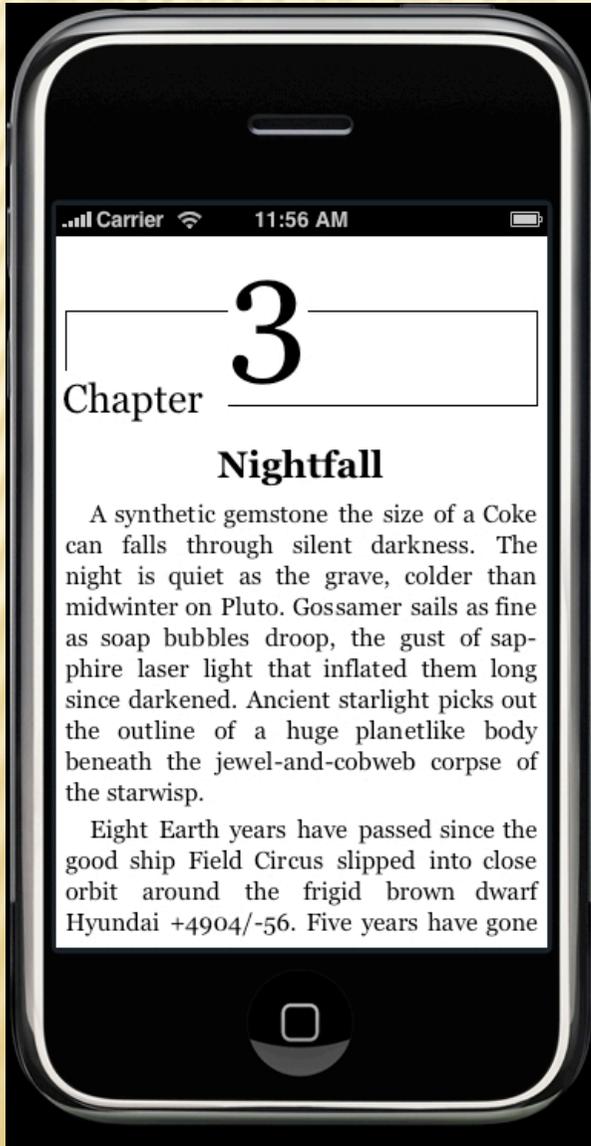
WHO AM I?



LEXCYCLE'S STANZA



STANZA FOR IPHONE AND IPOD TOUCH



- ✗ ~4.0 million users in 75+ countries
 - + ~30 million books downloaded
- ✗ 115,000+ books available (half free)
- ✗ Books in 25+ languages
- ✗ Featured in:
 - + NY Times, Boston Globe
 - + Time “Top 11 iPhone Applications”
 - + Forbes
 - + Wired “10 Most Awesome Apps”
 - + iTunes Top Applications of 2008
 - + App Store 1 Year Anniversary Featured Application

STANZA HAD THE BENEFIT OF AN EARLY MOVER

- ✘ You don't!!!
- ✘ June 2010 - 225,000 applications in the App Store
- ✘ In September 2009, AdMob reported:
 - + 54% of all iPhone apps have less than 1000 users
 - + 81% have less than 10000
- ✘ 100+ To Do List apps
 - + And I got tired of looking after I got to 100
- ✘ So how do you get your app noticed?

REAL DIFFERENTIATION

- ✘ Know what is available via competitive analysis
 - + Know what the competitive products do well
 - ✘ Be good enough at what they do well, if needed
 - + Read their reviews, blogs, etc.
 - + Sign up for their Twitter account, Facebook
- ✘ Make sure you have real differentiation
- ✘ Innovate
- ✘ Write a great application

TELL THE WORLD ABOUT YOUR PRODUCT

Two options for marketing:

- ① Perspiration
 - ② Huge advertising budget
- ✘ In many cases today, a huge advertising budget is not enough anymore



MARKETED LIKE WE WERE GOING TO WIN

- ✘ Lexcycle was bootstrapped
- ✘ Couldn't afford PR firms / advertising
- ✘ Leveraged tactics learned previously:
 - + “Grindstone public relations”
 - + Create industry expert
 - ✘ Conferences, blogs, PR and analyst relations
 - + Website and demeanor belied size of company
 - + Forums for conversations with users, customers
- ✘ Augmented with social marketing:
 - + Twitter, Facebook, blogs, etc.

THE CULT OF PERSONALITY IN OPEN SOURCE

✘ Open Source has a history of strong leaders:

- + JBoss – Marc Fleury
- + Hibernate – Gavin King
- + Spring – Rod Johnson
- + Linux – Linus Torvalds



✘ But strong technology leaders are not limited to open source:

- + Kodo – Patrick Linskey
- + Atlassian – Mike Cannon-Brookes



INDUSTRY LEADERSHIP

- ✘ Presented at 20+ events in 2009
 - + TOC keynote
 - + London Book Fair
 - + Frankfurt Book Fair
 - + ABA, APA, New Zealand eBook events
- ✘ Established relations with press, bloggers, analysts
 - + Frequently quoted



EXAMPLE OF “GRINDSTONE PR”

Reference his past work.



Hi David,

I was doing some web research today and ran into your October 2007 article about Sony's ebook Reader (http://news.cnet.com/8301-17938_105-9788927-1.html?tag=mncol;title). I just wanted to let you know that reading ebooks on the iPhone is happening and at numbers that are astonishing a lot of folks in the industry.

Tell him
he is
smart



At Lexcycle, we make the popular Stanza ebook reading software application for the iPhone / iPod Touch. Since the App Store opening in mid-June when we made Stanza available, there have been over 200,000 downloads of Stanza with over 20,000 book downloads every day and growing. If you'd like to learn more about our technology, visit www.lexcycle.com or specifically about Stanza iPhone, you can visit iphone.lexcycle.com where you can view a demo video of Stanza in action.

Blow them
away!



Let me know if you have any questions about Stanza or what we are seeing with ebook reading on the iPhone.

Thanks,
Neelan Choksi
COO, Lexcycle
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Pre-
signature



TIPPING POINT FOR STANZA



- ✘ “Grindstone public relations”
 - + Tracked competitors (Kindle, other eBook readers)
 - + Sent 100s of custom emails to reporters, bloggers
 - + Got some coverage including Time Magazine
 - + Established some relationships with bloggers and reporters
- ✘ Forbes’ *iPhone Steals Lead Over Kindle* by Andy Greenberg
 - + Identified that the Stanza user base was exceeding total estimate of Kindle’s sold to date

COMMUNITY IS EVERYTHING



- ✘ Biggest advocates
- ✘ Word of mouth was primary advertising vehicle
- ✘ Your best reviewers
- ✘ QA and testing
- ✘ Real world feedback
- ✘ We even leveraged our community to help us translate Stanza (currently in nearly 20 languages)

COMMUNITY DEVELOPMENT

- × Have an honest conversation with “peers”
- × “Unwritten” contract with users
- × Blogs
- × Newsgroups
- × IRC
- × Twitter
- × Facebook
- × Discussion Sites
- × Conferences
- × User Groups
- × Good Documentation
- × User Guides, Videos
- × Quick Reference Guides
- × White Papers
- × Newsletters
- × Articles
- × Books
- × Webinars

IPHONE - EVEN EASIER TO GET FEEDBACK

- ✘ Ratings and reviews
 - + Unfortunately not a conversations
- ✘ Must drive feedback form within app e.g., “Send Feedback” link
- ✘ Listen and learn to improve Tier 0 support e.g., contextual help, tips, videos
- ✘ Use ad-hoc for beta testing, early access
- ✘ Leverage analytics, “phone home”



VIRTUOUS CYCLE OF CONVERSATIONS



APPLICATION WEBSITE

- ✘ Important
- ✘ Your voice to the world
- ✘ Easiest thing is to check out other iPhone app website
- ✘ Don't reinvent the wheel but borrow from what already works
- ✘ Be aware Apple will look at your website and will reject your app if your website doesn't meet their requirements.
- ✘ Mobile friendly

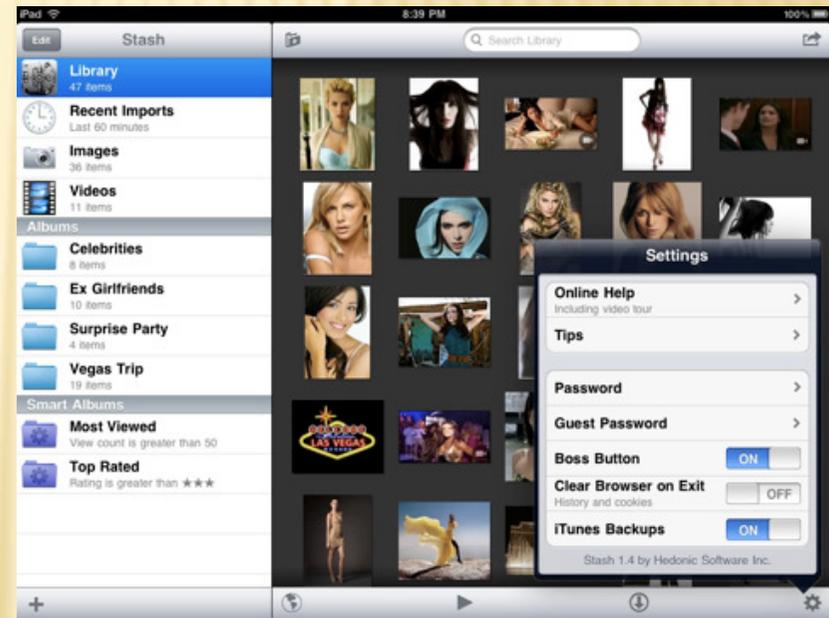
WHAT GOES INTO YOUR WEBSITE

- ✗ Branding controlled by you
- ✗ Application description
- ✗ Requirements
- ✗ Community
 - + Forums
 - + Blogs
 - + FAQs
 - + Email newsletter
- ✗ Download link
- ✗ Social media sign up
 - + Twitter
 - + Facebook
 - + Digg
- ✗ Video demo of the app
- ✗ Screenshots
- ✗ Link to download / buy
- ✗ Pricing
- ✗ Customer support details
- ✗ About the company
- ✗ User polls
- ✗ Media kit
 - + High resolution app logo
 - + High resolution company logo
 - + High resolution screenshots
 - + Contact info for media contact
 - + News and press releases

CASE STUDY – STASH FROM HEDONIC



- ✘ All in one iPad application for password-protected:
 - + Photo album with smart albums
 - + Video archive
 - + Web browser
 - + Slideshow viewer
- ✘ Superior feature set:
 - + “Boss” button
 - + Guest password
 - + Auto browser clear on exit
- ✘ Easier to use than all the other alternatives
- ✘ Originally a Windows-based application
 - + Repurposed for the iPad



TAKEAWAYS

- ✘ Must create differentiated apps
- ✘ But it is not just enough to write a great app
- ✘ You've got to put as much effort in marketing it
- ✘ Community development is critical
- ✘ Have conversations with your users
- ✘ Website is primary vehicle for community development

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