

Andrew: In this session we're going to talk about how using database marketing will help you increase your sales. And the session is led by Daniel Faegella. He is the founder of Science of Skill, an online membership site that teaches Brazilian JuJitsu fighters how to beat their opponents.

Everything that he learned there, to grow this little community of a small audience to help him get large revenues, everything that he learned there, he is now teaching on a website called--here, let me bring up that site. CLVBoost.com. CLV, of course, stands for Customer Lifetime value. He teaches this whole stuff in depth, how to get more value out of your customers over the life that they have with you.

I'll help facilitate this course. My name is Andrew Warner. I'm the founder of Mixergy where proven founders like Dan teach. Dan, thank you for doing this.

Dan: Yeah.

Andrew: And I wanted to show this photo that you shared with me before we started.

Dan: An old favorite.

Andrew: Where were you when you took this photo?

Dan: Let me see. Hold on. Let me see. Oh it's coming up. Man, this is great. This is in the back of Rawlings Floor Covering, a carpet store in Wakefield, Rhode Island. You can see the carpets in the background. You got the forklift over there to the right. Actually that's my buddy and my right-hand man, Tim, over on the left who actually works with me on the online business now.

Andrew: Okay. So you've got a business now. Back then you had a business.

Dan: A very small one. Yeah.

Andrew: What's the problem that you had that maybe our audience will identify with? I want to understand the problem, and then how the solution can really help.

Dan: Yeah. The problem was I wanted to teach martial arts and to be able to have that be my full-time shebang. Really the real problem was, Andrew, I went to U of Penn for grad school, and then I got the bill for it.

Andrew: Okay.

Dan: So that was really the problem, and I realized I need to do different things in this small town martial arts academy to make the kind of bucks to be able to pay that off. So we were in the back of the carpet store. We actually had to leave there because there was a new owner. So now it was, "Alright, paying rent on that building, paying rent to live and eat, and then also Penn coming up and having those payments."

And then essentially realizing we not only need more folks coming in the door but

we have to find a way to catch up with all of these people and make sure they, at least, get an appointment. They, at least, come in because there's no chance to sell them unless that happens. That was the biggest thing for me.

Andrew: That was the town, by the way. We always talk about having small mailing lists. Your whole town, the whole of people that you can reach, was how many people?

Dan: It was 8,000 folks in our town of Wakefield, Rhode Island, which technically where we're based. Yeah.

Andrew: Eight thousand people. So 8,000 folks. Most of us maybe have 8,000 people on our mailing list or more. Your whole capacity was 8,000 people. That's as big as you could get. You still were able to grow. This is where you moved into using some of what we're going to be talking about here today. Are you able to share where your revenues are on the site, just to give us a sense of what can be done?

Dan: In May?

Andrew: Yeah. What kinds of skill and this new business that you've built based on the database marketing we'll be teaching?

Dan: I think I sent the Science of Skill... I think I sent it over in the initial interview. So we're right now on pure info product level cruising at 30 something G's a month for information products at Science of Skill. And then there's consulting and other things that kind of make that messier that we have to pluck out of there because I also need to clean that up because I'm also working on a sale of that business there as well.

So I need to make sure that stuff doesn't show up in these fences that don't belong there. That's what we're doing there. Black Diamond was at about 17 or 18. We had a couple of months where we were above 20. Now that's about as good as we got, and then I sold that business on my way out and moving up here to Boston.

Andrew: Is Black Diamond the studio that you had?

Dan: Yeah. Now it's under the physical control of one of my purple belts. His name is Joshua LaBossiere. He runs it now. He's sort of transforming it into a little bit more of a kid's martial arts gym, more so than the adult's kind of MMA side things that we had. But it's still in existence today.

Andrew: Okay. Everything that we're showing here today about segmenting, about audiences, about reaching the right person with the right message using database marketing, it's not something you've invented. You actually have noticed that this existed before. I want to get into the tactics, but first I want to get a quick overview. This existed before with companies like this one. Can you describe how L. L. Bean does it just so we understand what's coming up here in this session?

Dan: Yeah. So now I did the database marketing which is really what L. L. Bean's

ballgame is in terms of... I wouldn't say it's their entire deal, but I think L. L. Bean is better known for that than anything is the fact that L. L. Bean, they do marketing that's tremendously expensive. They are involved in marketing that involves mailing calendars. Or, what do you call those big old rigging...

Andrew: Catalogs.

Dan: Catalogs, yeah. I knew it started with a "C" and it involves paper. That's how much coffee I had this morning.

They mail those bad boys to people's houses. That's very expensive for ink, and paper, and postage. When they send one of those, the cover... They have obviously multiple variations of the catalog that they're testing very succinctly, very scientifically. They have millions of folks on their list. They're sending along postcards and ride along mailers with those.

They are varying their frequency depending on gender, demographics, location, all those various bits of information. And, they have to be calibrating how all of those various campaigns do so that they can do it over and over again each campaign, which is millions of dollars that they actually have to spend outbound to even have a chance of selling these boots, and coats, and backpacks, and everything else that they're doing.

They are doing very, very expensive and higher level database marketing. This has been happening well before email even existed.

Andrew: That means that if I'm a man I'm not going to get a catalog that features clothes for women.

Dan: I would sure hope not.

Andrew: Right. That's the kind of basic segmentation that we're talking about, but it gets much more, much more, much more in depth.

Dan: Yeah.

Andrew: And, we're going to show how to do that. One thing that you told me before we started here... Let me bring up the big board with the topics that we'll be covering. One thing you told me is you want to start off by asking people about their intent,...

Dan: Yeah.

Andrew: ...and you do that right here. Can you explain what we're looking at and how you're asking for intent here.

Dan: Yeah. This is one of our recent internal product launches. We're replicating this. We've done this on a number of different occasions. We're replicating this with an upcoming product launch where folks are selecting. They're getting in on a free escape video series. I did sort of a newer video series based on a number of

seminars. I was out in Oklahoma and some other places.

To get these videos we just simply ask them hey, let me know what position you're having the most trouble escaping from. Also, let me know how you actually like to learn. Do you prefer drilling? Do you prefer strategies? Or, do you prefer specific techniques?

So they're giving me an email address, which for most of these guys I had, and then some additional bits of information just about what they actually care about. Then, they go right into actually watch the video.

What that allowed us to do was when we started selling that course or just showing people the other free educational content, it wasn't just for the actual sale. It was also just for the other videos in case they're not buyers but they still want to learn - still calling out to them. We would target hey if you're interested in escaping mount this is a particularly important technique for you. Or, this is a style of drilling that would work well with this particular move. Or, this...

Andrew: I see.

Dan: ...ties in well with this other mount escape. So, we could change up the subject line and the body copy of the emails just slightly to get better opens and better click throughs from literally every single person that came through that squeeze, as opposed to just the general email list. Hey guys, if you generally like escapes here's generally how it'll generally help you. It doesn't exactly have the same ring to it as really tuning into precisely what they just told me they actually care about. So, very, very big difference there.

Andrew: What about this, that most people who see this say I have a hard time getting an email address at all from people, and I feel bad asking them for that? You, Dan, are suggesting that in addition to asking for an email address we also all ask for more detail.

I can see how you do it. You want to know what kind of escape people want, how they like to learn. Does this reduce conversion rates? I mean does it reduce the number of email addresses that we get?

Dan: On the front end it can. So, if you do split tests most people... If most folks do a split test if they just have name and email they may see a drop off, or they may see an increase, or they may see a decrease if they take away, let's say, first name and just do email. That's especially common in niches where name and email are... Like the internet marketing niche, for example, where everybody's been squeezed 8,000,000 times and they just want the stuff, so they're just give me the email address, you know.

But ultimately, testing is what tells you, so it's the same example here. Just so you know, Andrew, this form was not a front end squeeze page for, let's say, a random guy off a blog. It could've been, and if I really wanted to succinctly test it over a couple of months I would - or even over a week if I want to dump a bunch of traffic on it.

But instead of doing that, I just sent my existing list through this form before I released this product. So, many of them had not given me this information yet. If they did they did not get that survey, because I already know that about them.

However, if they didn't give me that info I just said hey guys we're going to be coming out with a cool video series. I'm going to give you a little bit early access to the first video. Just let me know what you actually care about learning about because we have a lot of content here. [??] And, then just sent the existing email list. Now anybody that likes me well enough to give a couple of bits of info and is interested in that kind of thing will fill it out.

Yes, I would say should you make an eight step opt in on your front end page? Not necessarily. But, is it worth split testing a quick drop down with three options? Yeah it is. It's very, very tough to make the bold assumption it'll inherently dip your opt in rate.

And, to be frank, I'd say, 80 percent of the time I'd make the bolder assumption that your increase rate of purchase within the first two weeks or whatever your metric is would more than make up for the nominal dip in front end conversion. A little bit of tweaking on the subject line, higher ROI, so testing is the king, but you know, especially if you're existing, there's really no risk.

Andrew: If someone is afraid or gets dated that says, "Don't ask for more information than an email address, we'll show them in a moment what else they could do," but before I move onto the next point where we show them what they could do, what is contextual parsing? You created this great image here that I want to look at. What's contextual parsing?

Dan: Yeah, contextual parsing involves determining what people are interested in or care about, based on where they opt in and where they find you, what they select themselves that they hold as a particular interest. In my business, I have a number of YouTube videos that link to Squeeze pages, relating to what that video is about, so I have videos about leglocks, and then I have Squeeze pages underneath those videos about leglocks. I have blog posts about leglocks, and then I have products, and Squeeze pages related to leglocks in those blog posts.

If you go to places like HubSpot, they'll do the same thing. You know, you were just mentioning, Andrew, there's some folks that either...maybe they have a business or maybe they don't have a business, or maybe they have an online business or they have an offline business.

If someone is selling business training, they might have blogs about each kind, and then they might have opportunities for folks who are particularly interested in that kind of thing to get in there, so it's not just a martial arts idea, obviously. It's just about where are they finding you, and by that alone, what can you know about them, and what do you know about how you can follow up?

Andrew: If there's a YouTube video that's directed towards say, leglock, when we link it, we want to link it to a Squeeze page where we get their email address, and

tag them as being interested in leglocks. That's what you're saying.

Dan: Yes. I tag them more if it's in a different email functionality. I work with all email clients. Some people are married to the email software their using. Different people can do it in different ways. AWeber would be an entirely different list off in times, and get response would be a different campaign, and Infusion software it would be a tag.

But yeah, you're just categorizing them, and making sure that your succinct targeted follow up to your first offer, whatever that is is hyper-tailored to what you already know, based on where they even found you in the first place. You're not watching my YouTube video for seven minutes or opting in on a button down below, unless you like leglocks, you know, if that's a leglock video.

Andrew: I see, and again, for blog posts on our site related leglocks, or whatever our topic happens to be, underneath, you wouldn't the same box asking for an email address for all topics, you would have one directed towards a topic of the post.

Dan: Yeah, because I mean, A, you'll get a better opt in rate, especially on blogs, there's no downside. You get a better opt in rate if it's "Whoa, I just read this blog about this topic I'm super interested in," escapes, leglocks, whatever your, you know, criteria are, and then "Whoa, I'm getting emails every day about that same topic too." It's different than "Hey, martial arts email number one," I don't really know, but leglocks, "Oh, I just read a post about that. This is a greet video," boom.

Andrew: I'm glad that you made the point of...when I said the word, "Tag," you're right, that's very Infusionsoft related. When I first saw that you launched CLVboost.com to help people do this. I just assumed that you were going to say what everyone else says, which is "If you're serious, you have to get involved with whatever your software preference is." I like that you're saying, "There is no single software that's going to be perfect. If you're married AWeber, and you're happy with it, here's how to use all this with AWeber."

Dan: Exactly.

Andrew: "Give me a different list. If you're married, and are happy with Infusionsoft, you can use tags to do this." It's concepts that matter, not the specifics of the software. Cool?

Dan: Completely, yeah. Yeah. I'm totally software agnostic with my own work, and I think that concepts, again like you said...I mean they've existed so long before these software even existed. It's just about plugging in the principles.

Andrew: All right, onto the next point, which I brought up earlier, which is you can segment further...

Dan: Yes.

Andrew: With a mini survey.

Dan: Yes, you can.

Andrew: That's what you were starting to say earlier. Let me see if I've got...here's an image that you created to show this point. In a moment I want to show how you do it. Why don't you describe the point first, and then I'll show how you do it.

Dan: Yeah, so when you ask for...the best time to get information from folks is when you just ask them for information just like the best time to ask for someone to buy something is after they've bought something, in general, right. I'm making a generalization here, but it works really darn well with surveys.

When somebody opts in in a way where they're giving you...even if it's as simple as just an email address, right then and there is a great time to say, "Hey, let me know a little bit more about you, and what you care about, and at the same time, I'll give you a little extra something, I appreciate it, you know, it's important for us to understand who we're talking to, and what you actually, you know, want to hear about from us." It can be a think of courtesy in addition to better targeted marketing, and then obviously you have the example of my own survey that I use.

Andrew: Here, let's take a look. This survey that I'm looking at here has way more questions than you probably want to put on a squeeze page.

Dan: Oh yeah, many more.

Andrew: I don't know if the audience can see it. I can see it here, very tiny. At the very top I can see that this went out through Infusion soft. So this went to your existing list, people who had already given you their email address, right?

Dan: Yeah.

Andrew: This is how... Sorry. You describe it. I'll just zoom in so that people can see it better.

Dan: These are people that have already been on my list. So instead of linking this at the bottom of the blog post which is seemingly a lot of information, I normally wouldn't do this. Now I didn't test it. For all I know, it may have done just as well.

In terms of best practice, I wouldn't go for it, but this is sent out to folks who have already opted in. It gets sent out immediately if they make their first purchase and they haven't filled out the survey, or it follows up with them about two weeks after opting in and say, "Hey, now that you've been with me for a bit..."

We do a lot of different interviews and a lot of different techniques on what are your major goals? What are your major areas of interest? And what is your weight class, and I'll make sure I send you things that are a little bit more tailored and relevant to you.

Andrew: Okay. So now we're starting to really get to know what the audience wants, I'm wondering if I can even show this next time. Let's go to the next point and we'll

see how the visual works out. The next point is actually... Here it comes. Where is the next point? There is the next point, right once and then customize. So the reason we're collecting all this data is so we can create some customization. And, again, you did a great job of getting us some visuals on how to do that.

Let me show this before we show specifically how you do it. This is the front end email request. What is this describing?

Dan: Yes. Okay. Great. So if you look here, we just used an example of that escape squeeze page. It said, "Are you interested in or it asks for their preference in learning. Do you prefer drills? Do you like techniques, or are you more of a strategy person? You'd like to learn more of the strategy of escapes."

So if they select... Let's just say each one of those correlate with a color. So drills will be green, techniques will be blue, and strategy will be red. Now if they say they're most interested in drilling and they opt- in, I'm essentially going to send oftentimes a relatively similar email sequence, maybe, with some different videos but especially different subject lines to get those clicks up.

So this first on the left hand side, you see it says, "Six front end emails sell an initial offer," right?

Andrew: Mm-hmm.

Dan: Those will all be tailored and talking about drills to the drill guy, techniques to the technique guy, and deeper strategic concepts to the folks that have selected that for their choice. So they select red on the form, they're going to get those red drops, beep, beep, beep, those six initial emails are the ones that they get.

Andrew: Each one of those dots represents an email sequence.

Dan: An individual email within that square sequence. So they're essentially only hearing about the kinds of video content, the kinds of ideas that tie into the way that they told me they prefer to learn, which is very, very difficult to screw that up in terms of getting any worse open or click through rate. In fact, it's remarkably simple to just change the subject line, change a little bit about some of your paragraphs. You're essentially sending out the same thing tailored to getting a lot better response.

Andrew: Let me bring up a text editor. This is how I was wondering how I can show. It's a little hard to really see here.

Dan: Yeah. Yeah. It's tough to see unless you have it side by side. It's hard.

Andrew: Actually, maybe, we should just do it side by side. Maybe I can get to the audience. Are you okay with that?

Dan: Yeah. Bod-a-bing. Send it right out.

Andrew: Here, let me show two of them side by side since that could probably show

best. This is essentially... Am I looking at the same email but it's meant for [??]

Dan: This is a lazy email, Andrew, I'll be honest with you. There's very little changes between these two.

Andrew: Here, let me bring them out so that they're similar layout, and then we can see it. Okay. So one subject line says, "Back now to escape time, open before tomorrow." This one says, "Side control escape." This should all be easy. So this one on the right is meant for someone who told you they're interested in side control. The one on the left is for back now. Did I understand that right? Back now escape?

Dan: Yeah. I ended up on this particular internal launch giving away sort of some extra little back now fingers for the folks that are interested in back now and wanted to get in on a digital course that I'm no longer doing the DVDs for. And the side control folks, I was giving them some extra thing-ers when they ended up buying the course related to side control.

So I was giving them both a little bit of extra bonus for the purchase, but the email, as you can see, is very similar, but as you can imagine, Andrew, if you, let's say, it's cars and you've selected your favorite kind of car. I imagine it's very difficult to sell luxury cars online but maybe posters and memorabilia.

And you said you really prefer Maseratis and you're going to one that says. "Maserati fans, open before tomorrow tonight." That's a lot better than, "Hey, muscle car folks, check out this email." It's very different.

Andrew: I see. So even the content is the same, we don't have to rewrite the whole thing for each segment.

Dan: Not at all.

Andrew: Just small changes. Ferrari in the subject line for the Ferrari owner, Maserati for the guy who loves Maseratis. Gotcha. That's what you're going for.

Dan: And the folks that are general, Andrew, the folks that have not given you that info, maybe they didn't go through the survey or they didn't come in that front-end form, go ahead. Let's send them the general one.

Andrew: Gotcha.

Dan: But we more or less know for a fact, even if they're buyers, they're not going to have the same response rate as the folks who we're hyper-tailoring. So we are going to do that whenever we can, but if you have another swap of your list and you don't know that about them, give them the generic.

Andrew: I really like seeing the actual example and we'll show it to people because, you're right, I can see that this is so similar. Saying here's the same intro paragraph, same intro paragraph. Paragraph number two is the same. Number two is the same. I've got it at different text size.

Dan: That third paragraph, there's only one word difference, back mount and side mount.

Andrew: Oh, yeah. Here, back mount is here. Side mount is here. I see. So you're basically just keeping the same message, but showing them that you understand what their main focus is, what their main passion is.

Dan: Yes. The core sort of involves all those different things. And then again, I would give a separate little bonus to the folks with those different little interests. But that little bit is tailoring and customizing to what they actually care about. And it boosts sales. I mean a little bit on sales matters, especially when it's an email sequence that goes out to everybody.

Andrew: All right. So we collected data. We started to use it. Now people are starting to buy for, let me see, actually, no wait, before we even when get to buy, it's not just the email. It's also the sales page for each customer that you create is different.

Dan: Ideally, yes.

Andrew: Here, let's take a look at this image.

Dan: Yes. And I want to set something clear for the folks out there who are aiming to apply this idea, Andrew.

Andrew: Yeah.

Dan: I think this is a very powerful notion, especially when you have a main funnel that gets a lot of traffic, or when you have a bigger launch that's going to get a lot of traffic as well. Or if you have a main channel for your business that gets hundreds of folks a month consistently and it's going to be that way for months and months and months . . .

Andrew: Mm-hmm.

Dan: . . . this is more than worth doing if there's any ability to parse in the front end at all. And oftentimes, there is. So just to explain, you had the picture up there, you had those sequences leading up the sales page relevant to that person. I'll give you an example of something I'm doing. If I'm selling a marketing automation. At CLB Boost we have a DVD set that involves marketing automation database, marketing principles. Right?

Andrew: Mm-hmm.

Dan: So if someone says that they have an internet marketing business, as you can see CLB Boost actually does have a drop, down on the front end. So I definitely eat my own dog food here. So they tell me, oh, I have an internet marketing business but it's just an idea phase. It's not really a business. And then they opt in. Ideally, they are going to land on the DVD sales page.

They'll say, hey, you know, they will have a bunch of bullet points and maybe an adjusted title. They'll speak a little bit more specifically to the internet marketer crowd. Doesn't have to be a totally different sales pitch. Doesn't even have to be a different product. I'm certainly not going to tell them this is different than what I'm giving these guys. Because it is the same product.

But I am going to tell them, this is why it matters to you. I know who you are, and this is my product. But this is why it's a fit for you. And the title might say, internet marketers, blank, blank, bla-, blank, blank, blank. Or, you know, the seven key blanks that internet marketers should blank. And the bullet points will all line up to exactly what they're interested in. If they're in a startup and they're looking to scale, which is often the case to CLB Boost, we tailor to that kind of thing, then the sales page, ideally here, we'd have a different headline that would call out to start-ups eager to grow.

And then we'd have bullet points that tie into things that are going to appeal to them, you know, marketing that's more scalable. You know they like words like scalable. Right? Everybody in the start-up world.

Andrew: Yes.

Dan: Got it. There's an appeal to that. Right? Growth hacker is a word that they're going to like more than the internet marketer, so we'll talk about it. We're not going to tell them I'm giving them something different than the internet marketers.

Andrew: Interesting. Yes. Right. Internet marketer and start-up entrepreneur are both looking for more users, more customers, but the way that they talk about it is different. One would use a term like growth hacker and the other would actually say internet marketer.

Dan: And literally, just by changing the headline on the sales page that category one gets versus category two, if I can get them to stick on that page for long enough to read the headline, Andrew, as you know, copyrighting, I mean, that's a good enough step for me.

Andrew: What about then once someone actually gets the product? So I understand if I'm a start-up guy and you appeal to me by using the word growth hacker which is kind of trendy today.

Dan: It is trendy.

Andrew: I'll buy it. But then if I come in and I see online marketing in the actual product that you're selling, I might feel like, ooh, did I just get suckered into an online marketing scam and I didn't even know it?

Dan: Yeah. So here's how that's dealt with. Number one, if you're telling them that it's something it isn't, obviously there's an issue. So my escapes course - luckily, right? - involves a swath of techniques from every single one of the positions listed there and many, many more. So when I say, "Hey, there's a number of

fantastic drills and escapes related to the mount," they're going to dig into that product, and they're going to know there are a bunch of other things. But they're going to say, "Damn, he's right.

There's a freaking ton of mount escapes here; there's a ton of back mount escapes in here; there's a ton of side control escapes here." So, if I said, "Hey, this is only about side control, and man, this is a full two hours dedicated to that, that would be... I use the friendly term scoundrel. That's sort of a scoundrel-esque technique there, which isn't all that conducive. So, do it in a way that's going to speak to what the product actually is.

For me, for a CLVBoost, when people are looking through the slides and going through those videos, I'm not talking just about Ryan Deiss, Frank Kern, and I'm not talking just about Drop Box and Facebook. I'm speaking to principles and tenets of marketing. Whether you want a user on an app, whether you want to sell e-commerce, whether you're looking to book appointments and sell big ticket items, it's going to be the same tenets and principles. It's not only language to one person.

So the product is relatively agnostic, but the marketing on the front end, I want to speak the language of who the heck I'm talking to.

Andrew: Okay. So, now we've gotten information about them. We've gotten even more through the follow up survey. We've sent them an email that's customized based on what they've told us when they registered. And, we've created a sales page that spoke directly to them and, again, based on what they've told us before. It's time to sell. Why don't we start with non-buyers before we go into buyers. You say for non-buyers, people who don't buy, sell them down. What does it mean?

Dan: What I refer to here is that, if you have an initial, what I call a "yellow brick road," and that's an initial email sequence, an automated marketing sequence that presents a particular product, you should not go home with your tail between your legs. You should continue to educate them, continue to present them with testimonials and other things that are going to be entertaining. But then at the same time, you should take another swing, and that could be from a slightly different angle.

Andrew: So this is after making an offer to people; some of them will buy, others will not. The people who will not is what we are trying to address right now?

Dan: Yes. The people who don't, that's fine. Let's educate them some more and present a different offer. Maybe it's a lower price point, maybe it's a totally different offer all together at a similar price point. I generally will drop down a little bit, and I'll also change the positioning of the product. So, I won't say, "This is the same product just less of it and smaller. Are you willing to spend less money?" It's not like that.

The way that I prefer to present it - and ultimately testing is what tells you - but my default is, "Hey you came in for the four basic leg locks major course, and you didn't take it." The drop sell, or the next twelve emails, after I give you six emails where I'm mentioning this one course. The next twelve are going to educate you, talk about

other things.

And then I'll bring up a smaller specialized cool course. It's one DVD, but it's entirely about a particular knee-bar technique that I really like and I have some great highlight videos around it. It's a cool, unique little shard, a cool different proposition. It's not just lesser value proposition. It's different, but it's lesser in price. That will often scoop up the card and you have a customer on the list, not just a prospect.

Andrew: Gotcha.

Dan: And, of course, then you have the opportunity to up-sell.

Andrew: Okay. And we're going to get to that in a moment. That explains why, even though you don't deal in cheap-o products Well, I just got that way too big. There it is - why you have something like this on your site. This \$1 opportunity. Why is there a \$1 offer? That's a button on your site that leads to this, which I'll show as you explain it.

Dan: We don't have \$1 offers because they make me wealthy. We have \$1 offers because, when someone gets in with us enough to become a customer, their response rates to further email offers are going to go up. Their going to be able to build a little bit of trust and decide if they like my stuff or not. Right? If the lowest barrier to entry for me is \$97. Your average guy who's a martial artist, he's at least got to think before he slaps 97 bucks in the cart.

But if it's, alright, I got a buck, and he's giving me 30-day trial of this program, or he's giving me a couple of these front end DVDs in downloadable format, or I've even done crazy things like mailed out a couple DVDs for just a \$1. Just to get people to get the things. Then if they enjoy that content, that's someone who's more likely to be a customer again.

So I like to drop the barrier of entry. It might not be the best strategy, front-end, for every business. But I happen to think, even if you start high, I prefer to have some semblance of a drop down later on to scoop that person up and build back up that trust, and then sell them back up again.

Andrew: Alright. And then, the people who do end up buying, then you say you want to sell up. And you do that. I've actually brought up the page a moment ago. Here, I think, is how you do that. What is this, this page where you're offering something for \$597.

Dan. Yes. This is an external hard drive that contains essentially all of my martial arts programs, and it's all bundled into one branded little external hard drive to get some mailed out to the people. We have people, geez, from South Korea to Canada order these bad boys up, and I found that I haven't had 600 of them sold, but of the nominal number I'll normally call these people right up and say, "Hey, thank you very much. I appreciate you getting in on this course and program."

We found a lot of them are interested teaching and interested in having a breadth

of their curriculum. So we decided to add a tailored version of it that would speak to teachers. So it says, "Teachers, blankedly blank..."

Andrew: For instance, "Teachers get my full curriculum and access to my best instructionals to help your students grow. Launch special offer only, the black box."

Dan: Yep. So this is actually going to appear after a current product launch for a skilled development course that we're launching. So we're going to have three different variations of this. I'm going to have another one for competitors. I'm going to have another one for folks that are just interested in moving up in the belt ranks or skill level, so general improvement.

Andrew: Okay. Alright. So now we've gotten some orders, and we move them up. If we didn't buy, we scooped them up by selling down. Up next, we still have this list, and the next suggestion is or the next step is to recycle the list. And you do that with... Let me see if I can bring up his page to give an example of who you do this with.

This is a page of-I'm sorry, I forgot his name.

Dan: It's Steven Whittier [SP]. Yep.

Andrew: Steven Whittier. Okay. So how does Steven Whittier help you recycle your list?

Dan: Yes. Well, there's a couple of different ways. By recycling the list, I essentially mean just maintaining contact with them. So a lot of folks, after people go through your marketing automation sequence, they'll just end up on the list, which is , "Here's the x number of thousand people that get a monthly broadcast from me when I do what I call a monthly broadcast.

Instead of doing that, I like to take the information I know about these people, let's say, their age, let's say, their preferred method of learning or skill level, whatever it might be. In this case, it's age. I really don't have any products per se tailored to the older gentlemen, even though I have many of them on my email list. So what I'll do is I'll write some blogs and send out a couple emails to an offer like Steven Whittier's offer where I know he appeals specifically to 40 plus folks because he is 40 plus, I'm not.

So they will be more likely to snap up that offer. It'll be more relevant to what their situation is, more relevant than I could do. And then in exchange for that, Steven will send some of his folks over to one of my offers. So I have plenty of areas of technique that maybe he doesn't cover.

So instead of seeing ourselves as competitors in that kind of negative sense, we're kind of collaborating to kind of hopefully provide a better experience and also profit more both ourselves by essentially exposing our list to each other's content and offers.

Andrew: I see. His site is called 40+BJJSUCCESS.

Dan: Yeah.

Andrew: What's BJJ?

Dan: Brazilian JuJitsu.

Andrew: Brazilian JuJitsu. So you guys focus, not just on martial arts but on Brazilian JuJitsu and he, not just on Brazilian JuJitsu but Brazilian JuJitsu for 40+. You know what's interesting is that information marketers, like you, are so much better at this automation, so much better at dissecting than even software vendors. You'd think that software vendors would be huge at this, but...

Dan: It's a shame. To be honest, in my opinion, it's a borderline crying shame. For example, if you opt-in on HubSpot who I happen to respect a lot and I mention them often, no matter which size of company you select at, I think, industry as well you get precisely the same follow-up. And their selling automation software, it almost hurts my feelings. So I believe you are correct there.

I think in many regards there are some older school marketing tactics that for some reason haven't... There's a lot of great grill packing things, but there's a lot of these older school tenets and principles that are really one and done, set in stone, kind of things that can really improve our life that are just not moving into or haven't found their way into software.

Andrew: Frankly, I would have loved to have had a software entrepreneur talk about this kind of customization, this kind of segmentation. I don't know of any who do it this way, and the fact that frankly we use the term, growth hacking, and I use it, too. I like the term. It's cool.

Dan: Nice.

Andrew: But it sets us up, I think, for a monumental set of hacking, coding up, and then we end up doing extra work as opposed to just saying, "It's all marketing and now let's figure it out. What marketing works best? And if it's segmentation using software that already exists, then let's segment using software that already exists..."

Dan: Yeah.

Andrew: ...to promote the software that we're creating.

Dan: Yeah, it's not necessarily just building new things or...

Andrew: Right.

Dan: ...I mean finding a way to leak Craigslist people out to build your platform...

Andrew: Right.

Dan: ...[??]...

Andrew: Because Air Airbnb did it then we all have to now find a way to do it, too.

Dan: Yeah.

Andrew: Right. And, hopefully, now there'll be a software entrepreneur out there in the audience who uses this. I've got one more point, but hopefully there'll be a software entrepreneur who uses this and comes back and says here's how I did it. It's all basic stuff. I didn't add more to my software. I didn't add this marketing component to do it. The software already exists to do it. Instead, I focused on using the software that exists to market in building my product to do something that never existed before.

All right, on to the last point which is to stick to it. Stick to the regimen. Let me bring up this... Oh, I've got actually... Oh, you're so good at just giving out stuff. Why don't I start with...

Dan: Hey, let me know, man. I mean, you know, yeah, I don't want to get too weird with you. But, yeah, whatever you want to...

Andrew: Get weird with me, buddy...

Dan: ...know, like I said...

Andrew: ...Get weird, Dan.

Dan: ...I'm happy to share whatever's going to be helpful.

Andrew: I mean by that you also even gave me this text doc that I'll show in a moment. But, why don't we start with this overview, this image.

Dan: For sure.

Andrew: What is this?

Dan: Yeah. This is a representation of an email list, a list of prospects, it could include customers as well, where you see various groupings here represented by these shapes.

My preference, as I mentioned before, is that normally when we talk about a regimen... And, of course, we'll get deeper into regimens with the standard operating procedures which I think, obviously, any business would require and need.

Part of my whole gig is developing those depending on the business, because it's going to differ business to business. If you run a software company you'll have a different regimen of weekly, monthly communication than you will if you are in a niche like pets or something like that.

We do a little bit of both. But, let's just use this as a very simple sort of bland

example. It's going to just point out the point.

The idea is that you have a big old bucket of folks. Everybody's got a different length of time involved with you, a different set of interests, different factors that differentiate them, different ways to build a group and clump them. Most people will say hey, it's April 1, let's send out that broadcast message we send out to everybody and their mom to just, you know, send them out our monthly thing because that's what we're supposed to do.

Instead of doing that, my preference is even if it is as bland as a... By the way, I prefer to go a little bit more L.L. Bean and to think about systematically coming up with unique offers, education, and testimonials for different list segments. But, let's say we're getting so boring as to just doing a monthly email.

If that's the case, instead of sending one out I will find the three or four major categories that all of my folks fall into. If all I have is very limited info maybe I'll send them the bland one. But, the green people... Let's say we're in software. The green folks are in a range of zero to ten employees. They're going to buy your software for their very small business.

The folks in red are 10 to, let's say, 50 or 10 to 75 employees. Then, the folks in blue are over 75 employees. These might be people with a couple hundred employees even for a larger company.

Instead of sending out the same broadcast to everybody, let's send out the same broadcast but tweaked per what they actually care about. So, let's say the smaller folks if you're giving them a monthly update, why is there a case study in the example of how some gargantuan company used your software? Why aren't you talking about how other smaller software folks are very succinctly using what you're providing them with?

With the mid-size people, why aren't we doing case studies and learning examples and news updates that are really going to be most applicable to where they're using your software?

For folks that are in bigger companies, why aren't we communicating to them about... have articles that relate to how to leverage this software even despite the hierarchy and bureaucracy of your business? Why aren't we relating to the problems they have, the benefits they seek that are unique to them?

Why are we pushing a button and sending the same email to everybody? If you have 600 people, well, you know, maybe you just don't want to write that many emails. Depending on your price point maybe it's not worth it for you. But, if you have 2,000, even 1,000, never mind 10,000; 20,000; 30,000 people, taking the extra seven minutes per breaking that message up into a couple of tailored ones is going to jack your open rates. It's going to jack your click through rates. If you have additional offers in there it's going to bump your profits pretty big time.

Andrew: I could see how that would make sense. This is essentially what you've told us to do throughout this session. You're just saying...

Dan: Yeah.

Andrew: ...keep sticking with it even with those weekly,...

Dan: Yeah.

Andrew: ...monthly mailings.

Dan: Exactly. Figure out your regimen. We'll get into the standard operating procedure in a second...

Andrew: Yeah, let's show that.

Dan: Yeah.

Andrew: What is the standard operating persistence...procedures.

Dan: Procedures, yeah. Standard operating procedure for us is what we do within given periods of time to keep the business running and afloat. So if we scroll down a bit, this is just lead sources.

Andrew: Mm-hmm.

Dan: It's sort of boring stuff.

Andrew: I see daily here, the way emails are handled, Facebook posts.

Dan: Twice a week is YouTube things and then down in weekly we have marketing. So we have two branded whole email lists on Monday and Thursday. Every now and again I'll switch this up a little bit because I like to tinker with various open rates on various days. Or sometimes I'm doing so much sub-segmenting I don't want to do another full list blast.

In general, I'll do two sort of more overall branded emails that are going to be applicable for more or less a good swath of my list. So it might not go out to everybody, but it will go out to more or less everybody. And it will cover a variety of different things. Something fun on Facebook, maybe a cool article that I checked out or just something else to learn that I just kind of get out there.

Then I'll pick, at least, two various sub-segments, and I'll present them with sub-segmented offers which are either going to be one or two emails along. Then I'll pick one or two sub-segment affiliate offers. So I have a bunch of affiliates who I want to keep great relationships with, so I consistently on a weekly basis will promote my affiliates.

This week I'm promoting two or three people. There you see it's one or two. Sometimes if I have a little bit more to do, I have a launch coming up, I try and make sure I'm really helping out everybody else.

Andrew: By affiliates, you mean this is someone who's sending you business. You make a point of once a week helping out them.

Dan: I pick one of my random folks. Exactly. I should have made that a little bit more clear.

Andrew: I see.

Dan: These are people that pass me business. So I just make the point on a weekly basis. I've got to start sniping out segments of my list who might be interested in this affiliate, this affiliate, this affiliate, products I don't have that might be useful to this group. Then they're going to get a micro targeted either a one or two email bump specific to the in their situation and this affiliate offer.

Andrew: I see. And then does the affiliate pay for that, or do you get a commission when you introduce them to this.

Dan: Yeah. So I just get a commission when the money comes in and then in exchange I have a lot of arrangements where they in turn will send emails or put up Facebook posts for me and drive in additional opt-in business for me. So that really helps us keep the tornado going.

Andrew: Okay. Alright. How about one more? I think I'm getting a sense of how this works. What about the section right here?

Dan: Okay. A monthly marketing. So you have a four email chain for continuity push to front end. So in our business we have a lot of membership programs.

Andrew: Mm-hmm.

Dan: And just as I had mentioned before, we like to vary the membership programs per the interest of the person, and we especially like to vary the front end giveaways or bonuses that we'll give to folks to check out the membership areas and say, "Hey, this costs x amount of money. You can buy it if you want."

Say, "Hey, I believe in this so much that I'm more than willing to send out these cool things and give you a free login for a span of time to dig into this material and also get your hands on these cool new courses."

So we'll present a new unique course that will be exciting for the list, exciting for the folks that are tuned it, and at the same time it'll drive towards one of our core membership programs. And we're going to promote that to our entire list, just to keep those membership programs at a nice, healthy level and keep that run rate where it needs to be.

So that's one of the big monthly pushes that we'll do with every month with basically no exceptions.

Andrew: I see. And so you created the standard operating procedures as a way of making sure that you stay consistent and keep promoting and keep doing the

things that work.

Dan: Exactly. And I'll say this much, too, this is a fluid dock. It's not something that has to stay the same forever, but again if you go to L. L. Bean, I haven't been back there but they don't randomly on one random Thursday say, "Hey, guys, you want to do catalogs today? Yeah. Yeah. Let's do catalogs. Alright. Should we cut the trees down?" That's not how it happens. Like get the saws out, boys. Like, that's not what goes down, right?

They have their seasonal consistencies. They have their sub-segments that are getting marketed to more tailored. And they're collecting and pulling that information, and they're validating, "Okay, is this a good frequency of this sub-set? Are these kind of good offers for this sub-set. Okay. Great.

Well, how about the next quarter let's keep working these folks because it's going to be the winter and I know we're going to get a lot of sales on this. So let's test it with them." And then, boom, they have their own set of a template which is modular. They're able to adjust it, but they hang with it.

L. L. Bean has no winters where freaking catalogs don't go out, you know what I mean?

Andrew: Versus how many people do you know online who collect their email addresses but they go months not sending it, and then you get that email that I hate which is, "Sorry I haven't emailed you in a while, and I'm going to send it out now."

Dan: And Frank Kern told me to do this to you. Yeah. Yeah.

Andrew: I don't need an apology from him, is that right?

Dan: If you stick to the ledger I know what works for your list. It's kind of embarrassing to have to pop out that email. It's better than nothing, but at the end of the day find a consistency that your list happens to like, not your list as a whole but your overall list. Sure. But then the sub-sets of your list. Maybe there's buyers. Maybe there's more frequent openers who want more communication, who want higher priced offers, who want potential affiliate offers.

Find a regimen that's nice and consistent and keep that communication pump going, because that's a whole another revenue pump that most people are just leaving in the corner. No money, no [??]. For science of skill, I'd say 70, 80 percent of our revenue in any given month is from consistently re-marketing to people who have been with us for maybe a month and a half, two months, and are no longer getting any automated emails. But they're still getting all these emails targeted to their interests.

Now, I email a little bit more often than other folks, but it's at a cruising level where my opt outs aren't terrible, my charge backs aren't terrible. It's a hobby level that people are into, and I keep that regimen and modulate that regimen. And that is responsible for more than half of the money we make every month. Most folks think it's all about that new traffic. Sure, I focus on that all day, but I tailor and customize

messages to my existing customers and prospects.

And any software company, any start-up business that's even focusing on an app and has people of different levels of registration should and could do something precisely the same. Find that regimen and stick to it.

Andrew: All right. I started off this interview talking about the science of skill where you use this, where you really got good at it. But I think maybe what I should suggest that anyone who's listening to this and wants to follow up with you do is they should just go to clvboost.com. On this site, they can actually see you not just teaching, what we've talked about here, but using it. And you go much in depth about this. Right?

Dan: Big time. Yeah. So, on this page we have, some folks will just want to contact me directly at the button down at the bottom. People who already kind of have an idea of the build outs, or the advice they're really going to need. And then other folks will just want to get in on the white paper and learn it in a little bit more depth. So again, this is what we do. For some people who already have marketing automation software . . .

Andrew: As you do?

Dan: . . . it's really making sure. Yeah. So there you go. Yep. It's making sure that they have the software set up right to get a good ROI, and the good news is we can put that stuff on autopilot and then your business is making more money from then on out. And they can learn to do that themselves with the white paper, or they can contact me right there on the site.

Andrew: Even this contact form? I'm going to say this. This contact form is an Infusionsoft form, and even here you are asking them to segment themselves.

Dan: Of course.

Andrew: Are you in a start-up? Do you have an internet lifestyle business? A start-up idea with no business yet? Oh, this is great!

Dan: All day long. Now, every single time there's an opportunity to tag them because they're going to get different broadcasts, Andrew, two, three, four months from now. And you know what? If that person doesn't get in on any kind of strategy call for, let's say, four months, but they learn fantastic things about other internet businesses or other start-ups I've worked with who have had great success. How much more likely are they to be interested in, you know what? Maybe I'll get in touch with this guy.

Andrew: This is so cool to see. Anyone who wants a followup should go check out . . . I'm looking at my monitor here where I've got . . . Here, let me just show it, clvboost.com. Dan, thank you so much for doing this. I know you've got another meeting to run to, so I'll let you go. But thank you so much for doing this. Everyone else, thank you for being a part of it. Thank you, Dan.