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0:00:00 Joshua Anderson: Alright, I'm here with Allen Baler, thanks for joining me, Allen.

0:00:04 Allen Baler: You're welcome. It's great to be here, Josh.

0:00:06 JA: And we're gonna talk about how Nanacast has impacted your business. How it's been able to grow using Nanacast as a tool, and what specific benefits that Nanacast has brought to your business, and hopefully we'll be able to gain some insights too on how you've used Nanacast creatively and be able to share those with other Nanacast users and it'll benefit them in a great way. What brought you to Nanacast originally?

0:00:28 AB: Great question. So, I started my internet marketing business in 2008, and I initially focused as probably many people and maybe some listeners do on affiliate marketing. So, rather than create a product and own a product, I initially focused on promoting and selling other people's products, and trying to become an expert on marketing. You know, that was a great way to start Traffic Can Be King in the online marketing space, and knowing how to generate traffic is really important. But at some point, it's sort of natural for everybody, whether they start out as an affiliate, or start out as product owner it happens sooner, you decide you wanna have your own thing. You wanna have your own product, your own service.

0:01:16 AB: And to do that, you need a shopping cart at a minimum so that you can collect payment. There are other alternatives out there that a lot of people start with, some people sign up with a PayPal account. Some people, a lot of people in my particular market info-products, start with ClickBank, and those are all good places to go. But those other options have serious limitations, and for me, it was almost a non-starter, in that, sure, I can create a ClickBank account or a PayPal account and sell my own products, but there were so many limitations and negatives that I didn't even wanna go down that road.

0:02:01 AB: So I got to Nanacast after doing... Realizing that I needed a shopping cart, that I was looking for something that would help grow with me as my business grew, that would integrate with various outside service providers that I needed to run a business, such as an autoresponder company, a physical products warehouse company, a CRM tool. So I realized that I needed something that can kind of either do all of those things or would be open to having other things bolt on eventually as I needed them. And that took me to Nanacast because, in the sort of competitive landscape, there are tools that do some of those things that I just mentioned, such as shopping cart or autoresponder, but there are very few things that do it all and connect it all. And so I made the decision probably a little bit in advance of actually needing a lot of that functionality, that Nanacast was the right place to build my business.

0:03:06 JA: So, when you came to us, you were already doing some volume?

0:03:11 AB: Yes, I had started doing... I was doing a lot of affiliate volume, where I was generating traffic for other people's products, whether it was ClickBank or Infusionsoft or CPA networks. When I came to Nanacast, I was starting to create a different part of my business, which was the owning the offer, owning the product. And so when I came to Nanacast on that side of the business, I didn't yet have any volume, any traffic, anything going to my own offers. I was creating it from scratch, and I wanted to build them from the beginning in Nanacast.

0:03:47 JA: So, how did you begin to build traffic to your offers?

0:03:51 AB: Yeah, I mean, that's... We could talk for hours about that. I love traffic.

0:03:55 JA: Obviously.

[laughter]

0:03:58 AB: Really, that's kind of my passion and probably the thing that I focus on, but the short answer, the abbreviated version, I think is, there are two different kinds of traffic out there, right? There's traffic that you pay for, you know, you go buy, or there's traffic that you generate organically, whether that's SEO or affiliate relationships, or that sort of thing. I tried everything for the first six months of my business, and I realized that, given my background and things that I really liked to do and my impatience, that I really liked to focus on paid traffic. So, I'm perfectly willing to go out there and do a banner campaign or a media-buy or we've even got into stuff like TV ads and radio ads. I'm willing to go spend money to get traffic and figure out how monetize that effectively. So, the short answer is, I've been focusing, since I've started my business, on the paid traffic side. I like to go buy traffic.

0:05:02 JA: Something that you mentioned to me early on, is that Nanacast had been able to essentially give you an immediate boost to conversion rates based on the checkout process. What are the benefits that you found there?

0:05:13 AB: Oh yeah, that's huge, and when, you know, when an aspiring product owners come to me and say, "Hey, I need a great shopping cart," I point them to Nanacast, and this is one of the reasons I cite. And I want to say this in a way that's complimentary to what I've experienced with Nanacast without dissing the competition too much, [chuckle] but... So, here's the thing. When you're a product owner, the checkout process is a hugely important metric to monitor, to measure, and to try and improve. And what I mean by that is you can have a sales page or a sales video that does a great job selling your product or service, but ultimately, you've gotta ask a customer to take out their credit card and give you money for whatever that is. And that's when the checkout page comes in.

0:06:03 AB: And I think so many people focus on traffic. So many people focus on creating a great sales video or sales page. And almost everybody I talk to forget a crucial step which is optimizing the checkout page where you accept the credit card. So, there are other options out there. PayPal, everybody knows PayPal where you click "Add to Cart" and then you have to go enter your PayPal address and it takes you to PayPal. You have to complete a process there. That doesn't convert very well. There are a lot of steps that a customer has to go through. They have to have a PayPal account, they have to remember their password, they have to pick their shipping address, there's like a million little steps.

0:06:46 AB: Also, what's happening on a site that doesn't look anything like your site. ClickBank is another example. I love ClickBank. I've done a ton of business with ClickBank as an affiliate. But on any ClickBank offer, when you click "Add to Cart" you go to a ClickBank page that just has a little, tiny logo at the top from that product owner. It's got a form that may look nothing like the website the visitor was just on. And as a result, in my experience, for example, a ClickBank page typically converts at 15% to 20%, which means, if you got a 100 people, Josh, going to a ClickBank

checkout page, so they saw your banner, they came to your landing page, they watched your 20-minute video, my gosh, they finally hit the "Add to Cart" button. The shocking fact is only 10% or 15% of those people will complete the transaction and that is just a killer for a business owner.

0:07:48 AB: And so, Nanacast, one of the brilliant things that lets you do is it lets you customize that checkout page. So, you can put your own logo, your own text, your own colors, which is great. And the ideal experience is to have a checkout page that matches your sales page. That will get you the highest conversion rate. But even still, out of the box, I found the Nanacast standard posted checkout page which says, "Secured checkout page," at the top and has forms for contact info, and shipping info, and credit card info. Honestly, you look at it and you're like, it's functional but it's not, you know, I think you even admitted, it's not super sexy, right?

0:08:32 JA: Yeah, exactly. The basic, generic checkout page.

0:08:36 AB: Right. And that's really what it is. But even that basic, ugly checkout page, using that and putting a little bit of customization, like an image and text at the top, talking about the product that the customer is about to purchase, when we started doing that, immediately, when we started our Nanacast account, we saw conversion rates more like 20% or 25%. So, in some cases double what we were seeing on an identical product on another platform. And again, I think a lot of product owners don't look at those metrics closely but that is such an easy improvement to make in your business, if you can get a higher conversion checkout page, you can have the same amount of traffic, seeing a lot of people hitting the "Add to Cart" button, you're gonna make more money. And I was very impressed, that's a long winded explanation, for your ugly, basic checkout page with some very minor customizations, immediately made us more money.

0:09:41 JA: You know, and that's one of the big points, 'cause a lot of people, as you said, they overlooked this. They spent so much time focusing on all these other elements and their sales process that they overlooked the one area that they don't actually have to write any additional copy, make their offer any sweeter. They just have to test to know what the metrics are on the conversion rates of those checkout pages. Now, you mentioned, we do offer customization. Yeah. You can absolutely turn our checkout pages into fancier checkout pages. I've seen you do that with some of your other offers more recently. Is that something that you're testing? Is that something that you've maybe found a design that works with some offers and maybe the basic one works with other offers?

0:10:18 AB: Yeah. I think the basic page is a great place for people to start and it's better than the competition. So, that's step one. I think, step two is, once I've got an offer that's getting decent traffic and seems like it has promise, that's a place I wanna optimize. And I can share a couple of things that I found that have really been helpful in terms of those more advanced tweaks that you can do to help people. So, the first thing that I've done and seen great results at consistently is to match the look and feel, the colors, the layout, the header, as closely as possible on the checkout page to the page immediately preceding it, which is usually in our case, we sell through video sales letters. So, we wanna make that... We have a landing page, we want our checkout page to have the same header, the same background colors, that will give focus and an immediate conversion rate increase. And it's actually quite easy to do on the Nanacast system.

0:11:23 JA: So, this is even above your base rates. So...

0:11:26 AB: Correct. Because every percentage point there is huge. And it's money in your pocket without getting anymore traffic, [chuckle] which is wonderful. So, yes. That'll give you a few more percentage points for sure. A second tip that I can share that we've done consistently is to... We've found good results putting videos on our checkout pages. And I... The reason that works, I think, is as I mentioned, we're selling our products through video sales letters. So, a customer will come to our landing page and they'll listen to, sometimes, quite a long video where we make an offer, and it could be 10 minutes, it could be 20 minutes, it could be 30 minutes. I'm sure you've seen in the internet marketing world, the popularity of video sales letters. Well, what we've found is if we would create a brief 30 to 60-second video and put that on our checkout page. Essentially it's a very quick video that says, "Hey, congratulations on taking the first step towards whatever benefit our product offers. Just fill in your information on the secure checkout page -- secure -- and we'll get started on rushing your order right away."

0:12:49 AB: So, it's like congratulating them for taking the next step, assuring them that it's a secure page, even telling them what you want them to do, fill in your credit information. When we added those brief 30 to 60-second videos onto our Nanacast checkout pages, we saw another 10% to 20% boost in our checkout percentage. That's specific. We're selling through videos so it makes sense, video on the sales letter, video on the checkout page. I know a lot of your customers might be doing the same thing. That's a tip I can give them that will immediately improve their spot.

0:13:28 JA: When you do the video on the checkout page, are you using the same voice talent that you did in the sales video?

0:13:33 AB: Yes. I think that's also hugely important. From a marketing perspective, you want to have a sense of continuity through all steps of your funnel. So, we like to ideally have a banner ad look like our landing page, look like our checkout page, look like our up-sell page, look like our thank you page. And so, yes, we have videos on each step of the way and we have the same voice, the same Avatar on each. I can unequivocally say that, yes, we're getting superior results as I mentioned right out-of-the-box with Nanacast checkout form. You then incrementally, as we add these tips that I shared, making it look more like the sales page, adding the video, those are great things.

0:14:27 JA: So, I'd just like to do a small caveat on volume because when you're talking from experience, a lot of people go, "Well, what kind of insight does this guy have?" And I just wanted to point out that you've done hundreds of thousands of sales through Nanacast, multiple hundreds of thousands of sales through Nanacast. So, this isn't like, "I did a thousand sales and it was X conversion rate." You've tested this over now a couple of years pushing huge, huge volume, especially in the last 18 months, you ramped up your volume significantly and we're talking eight figures worth of volume as far as sales goes.

0:15:04 JA: So, when you came to Nanacast, immediately you responded and said, "Wow, conversion rate, awesome. If anybody wants to see the original video that Allen submitted to us you'll hear what he's talking about back then," and that was when you'd done I think about a hundred thousand sales through Nanacast and a couple million in volume. But then, in the last 18 months, and that's I think gonna cover that big ramp-up period, you were able to take it to the next level, essentially establishing your metrics and knowing what your conversion rates were, you were then able to really ramp up your marketing campaign. Is there something that you can share about that that might inspire people?

0:15:45 AB: Wow! Yeah, thank you for that. You're right though, and I should have mentioned that at the beginning. This is... We've battle tested Nanacast, that's for sure. We might be approaching half a million sales, individual transactions going through the Nanacast system and that's in the last few years. So, I guess the thing that I would share with folks is we've been talking about the checkout process and how to improve things. I think our breakthrough has not been one home run swing, it's been more the incremental improvement of the blocking and tackling. So, we talked about how to approach a checkout page. Start with the basics but then you can add things to make it look like your original page, add a video, measure, monitor, test and improve in each of the critical areas of your business.

0:16:46 AB: And I know that's not a sexy answer people like to think about and I've fallen in this trap, believe me. The bright shiny object or the new technique to generate traffic or the hot new product category. But you've seen our products, they're not flashy, they're not like, "Buy this pill and you'll lose a hundred pounds tomorrow," they're kinda boring and conventional. So, it's really the focus on measurement and continual improvement, knowing your metrics, figuring out the key elements whether it's conversion rate or traffic. I know that's not a satisfying answer perhaps, but really that's how we were able to do what we've done so far.

0:17:32 JA: Once you find out the conversion rate and how much it's gonna cost you to get that traffic and you know what you're targeted traffic sources are, then it's just about wrapping it up.

0:17:42 AB: Yeah, and thank you for that. That's really a key point and this... I heard a few years ago and I've really lived sort of our business life by it. I mentioned the measuring, monitoring, and improving your statistics. The bottomline, in one sentence, of what we've done and what I'd suggest people do is know how much money you earn per visitor. Figure out whatever that stat is. And it's a contribution of all these things. And say it's... Every visitor that hits your site, you figured out that you make 25 cents. Well now the game becomes when you're putting your traffic hat on is, how can I go get as many clicks in the world that cost me less than 25 cents because I now know my metric? And anybody I put in that pipeline at 24 cents, I make money; 23 cents, I make money. And from a... Since I focused on paid media buys, banner ads, email, pay-per-click, like some of this offline stuff, that really helps because now I know, "Okay, 25 cents is what I need to get. I'm gonna go find... I'm gonna unearth whether it's Google or Bing, or... It doesn't matter, now I know what I need to go pay. And otherwise, you're just kind of shooting in the dark I think.

0:19:03 JA: What tools are you using to track those metrics?

0:19:08 AB: Well, the Nanacast tools are very effective. Knowing we use the affiliate system, not only for our affiliates, but also for some of our internal buys. So I can see, "Okay, how many clicks did I get? What was the conversion rate? And what was I paid or what I did my affiliates as a commission?" That helps me understand what's my earnings per click from that particular traffic source, that particular affiliate. Again, that gives me the key number that I need to know which is my earnings per click. And now when I'm buying pay per click or I'm buying on a CPM basis, or I'm talking to a potential affiliate partner, now I know what I can afford to pay. So the built in Nanacast tools and the affiliate tracking system, we use quite a bit to do that.

0:19:55 AB: We also use Google Analytics and Clicky to monitor sort of what's going on in our business. And you can set up goals and associate revenue with that. Finally, on some... We focus a

lot on buying banners, and doing media buys. And I use tools called Ad Server, which basically allows me to load up different banners, serve them on a particular site, monitor the click through rates, the conversion rates, how much each of them is earning. So that's another tool that I use effectively to monitor what I'm earning per click.

0:20:31 JA: Where are you integrating the Google tracking and the Clicky tracking? In what part of the funnel?

0:20:37 AB: We have that code on each page on our site. So what we've got, and we're probably not doing a great job of this honestly, we're basically monitoring when people hit our landing page, and when people complete a sale. And so, we're just looking at sort of the top and the bottom of the funnel and looking at how much revenue and what's that overall conversion rate. Probably the right thing to do, and it's been on our list, we should probably do it, is to measure each successive step in the funnel. So in other words, how many people are taking up-sell number one, how many people are taking up-sell number two, how many people are bailing out before they get to the Add to Cart. Measuring each step in the funnel would be more effective. I kind of look at each step and I monitor those, but here's a case where do what I say, not what I do. I should probably monitor those in real-time rather than periodically.

0:21:35 JA: It sounds like you're talking about another step in the process. Obviously, you've been very effective at what you have done, and I like how you're like, "Well, it's just the top and the bottom. That's simple, anybody can do that."

0:21:46 AB: Yeah. Yeah. I think that's great, because I kind of believe in the keep it simple, stupid things. And sometimes when I show what I'm doing to other people, they're like, "Duh."

[laughter]

0:21:59 JA: Well, you know that's one of the things I always try and emphasize to users and say, "I think you're complicating your business. I mean, really, focus on what makes you money. Why duct tape everything together and worry about the moving parts when there's really central things that make you money?" The checkout page, the conversion rate between your sales letter and actually getting them to close the deal. And you mentioned up-sells and down-sells, and Nanacast offers a very powerful up-sell and down-sell solution, so how are you using that in your business?

0:22:28 AB: Yeah, that's great. Good segue. I mean that's, back to your original question, how did I come to Nanacast? That was a key requirement, was the ability to do up-sells and down-sells, and it's one of Nanacast's best features in my opinion. So if people out there don't understand an up-sell or a down-sell, is simply an offer that we make to somebody after they have made their first purchase.

0:22:54 JA: Can I stop you there too? This is something I wanted to emphasize. We believe at Nanacast that when a person makes the decision to buy, you should let them buy right then. You should capture that sale because then you're guaranteeing the conversion rate. When they're at the height of the decision making process on the initial offer, closing that deal, that's gonna give you the highest conversion rate. When they make the decision to buy, we like to charge the card, follow it with the up-sell, charge the card, follow it with the other up-sell or down-sell, charge the card. And each time we charge the card.

0:23:27 AB: Yeah, that's huge, huge. Yeah, and really, that probably, when I think about it, that might have been the first, the number one most appealing thing to Nanacast that brought us on board. I couldn't agree more. That's what I call a post-sale, one click up-sell. It's really the way I like to think of it for Nanacast. And so the one action is, finish that first order and then I want to present you with future up-sell orders. And I'll tell you, Josh, this will make you laugh, but when I talk to friends who are in the e-commerce business, they're selling a catalog of physical items, their shopping carts don't have this ability. And it's amazing when I'm competing with them and we're selling the same product, I'm gonna kick their butt, because instead of having a multitude of offers and trying to get somebody to take a bigger package on the initial checkout page, I'm able to hit them after they've bought. It always works.

0:24:31 AB: So the short answer is the post-sale, one-click up-sell is huge. That's all Nanacast would have to have to be greatly successful and to spin that forward to how people can use that. So there is so much... Businesses that aren't making up-sells, especially on the info-products or even the physical products base. They are leaving so much money on the table. If you've got any sort of product business or service business that is working well, I guarantee that if you just add a one-click up-sell like Nanacast can do, and we can create one in five minutes, by the way, you're gonna make a ton more money. So the short answer is, I think it attributes for our businesses' sales, the up-sell, boy, it's gotta be at least half and it's probably more like two-thirds of our total sales volume come through up-sells.

0:25:36 JA: Have you taken advantage of the new Nanacast Split test feature for sales funnels, so you split test up-sells and stuff?

0:25:42 AB: Tell me about it.

0:25:43 JA: If you have two offers and our up-sell process is really simple. Well, what our split test feature allows you to do is essentially A/B split test or A/B/C split test between several different up-sell offers. And so maybe you're just split testing a headline, or some sales copy in your up-sell offer and maybe you wanna completely split test two different offers. You can do that within Nanacast, and what Nanacast will do is show you the winner.

0:26:05 AB: I'm glad that's been built.

0:26:06 JA: Yeah, we're pretty proud of it. So, as far as developing your offers, is there any insight that you can give us, was it a methodical process? 'Cause I know... I've been in info-publishing and I've had some successes with some of my info-products, but it's usually 'cause of something I'm interested in or something I discovered that excites me and I wanna share with other people.

0:26:29 AB: Yeah, I think... A couple of things. I think I look at it philosophically a little differently in that... And I'm not sure why this is the case but I sort of look at it, instead of things that I'm interested in, I look at it in terms of places, and communities and audiences, where I know how to access them. I know how to buy traffic on those sites, I know where they hang out. I know what sort of other products they're buying, and I kind of think about focus in terms of my business. So I mentioned there's paid traffic and then there's organic SEO, and I chose to focus on paid, because that's what I think I'm good at and that's what I prefer to do.

0:27:18 AB: I think focus is helpful, and basically knowing where the fish are and what sites they're on, what sort of ad-wraps I need to deal with, what are the going rates, what other products they're buying, that's been very helpful to get a familiarity and a focus with a particular market. So I kind of look at it the reverse, 'cause I'm interested in things like golf, and I have two little kids. But I've never thought of having a product in either area. I've more looked at it from a marketing perspective about what markets do I know how to access. So maybe that makes me a little strange but that's sort of one thing.

0:28:02 AB: Another thing that I would focus on for sort of aspiring info-product, product owners out there, I think, sort of the secret sauce or the magic formula for a really great offer is a high-converting front-end offer, followed by a series of high up-sell take rates. And the cool thing is using Nanacast, you can achieve both of those. You need the conversation on the front-end offer, and then you need a good take rate, acceptance of the up-sells. So, the first part, the high-converting, low-ticket, front-end item, our most successful product is priced at \$27. And when we created that product 18 months ago, there were other products in the market in the same field, in the same niche, and all of them were selling for \$50.

0:29:03 AB: So we said, "Okay, we're gonna come up with a product that is just about half as much to make it easier for consumers to buy it and try it out, drive up the conversion rate." We decided to... We looked at what the other competitors were offering in terms of content and we decided to essentially double that. So, they were covering, say three or four topics, we decided to cover eight topics and in more depth. The third thing we looked at was, Okay, they're delivering strictly digital products. It's a download. Well, we're gonna add a physical component to our product. So all of our products have a physical component whether it's receiving a disk in the mail, or getting a printed book, or getting a DVD. And that's how we constructed the offer, and I think of all those things, having a lower price really helped our conversation rate, brought in more customers who are willing to try our product.

0:30:03 AB: Then through the beauty of the up-sell process and what Nanacast allows us to do, we were able to take that \$27 purchase and I think our average customer probably spends at least double of that with us. And that's a great number of people don't take an up-sell some... But many do. So by collecting more revenue and offering more complementary products to a subset of customers who want to accelerate the results, we're able to bring in more money and therefore afford more media, it's a virtuous cycle. So that's a long-winded way of... I see a lot of aspiring info-product owners out there, who start and they are like, "Well, I am very passionate about this particular project, I'm gonna price it at \$97. And my knowledge is important, it's gonna be a \$297 product."

0:31:01 AB: And oftentimes, that will just kill and suppress your frontend conversion rates, and you'll never get that virtuous cycle. And again, I realized that I am a little bit different that a lot of gurus and other product owners who teach sort of, "I'd rather fewer customers and more customers that pay me more money." And I am more like, "I want lots of customers who don't pay me a lot." Different philosophies, but I found that to be effective.

0:31:28 JA: Yeah, quite obviously it's effective. So you talked about adding physical products in the mix, did you originally add that as an up-sell or did you start testing digital physical bundles? How do you come out of the monopoly?

0:31:44 AB: Yeah. That actually I got a lot of help from a previous business experience where we offered to create and sell physical versions of digital products for leading info product publishers. That was several years ago so we got the chance to work with folks like the Fat Burning Furnace, and Diet Solutions, Jeremy Shoemoney, some of these info product publishers that were selling their products on ClickBank and outside ClickBank but were just doing purely digital versions. So we had a business for several years that would offer a physical versions of those products -- printed books, DVDs, CDs in the mail. That was great because we got to learn how to source those products, warehouse them, sell them, tie them effectively into Nanacast and create an up-sell funnel.

0:32:40 AB: And so when we created our own offers about 18 months ago, we wanted to incorporate physical elements from the beginning. So right now our primary offers, the front end offer comes with a CD-ROM in the mail without all the materials as well as digital access. And one of our first up-sell offers, I think, on all of our products is, "Would you like a printed book and DVD version of the information you just purchased?" I think it's amazing that how many people out in the marketplace get focused only on digital products. When in fact will people, your customers, many of them would prefer and would pay extra to have a physical version.

0:33:27 JA: That's quite interesting. So when you talked about sourcing, I mean Nanacast is integrated with obviously the fulfillment house that you use and several different other fulfillment options including print on demand, did you try print on demand before sourcing out and how did you do that?

0:33:41 AB: Absolutely, yeah. Print on demand is a great place anybody can start regardless of volume. And you integrate with several print on demand vendors, I think Kunaki is one that I have used for years for CDs and DVDs and they are fantastic. It's low cost automated on demand, high quality CDs and DVDs. There is no extra frills, there is no customer service. They are what they are, but for what they do, they are great. And anybody who has got info product that's got videos or PDFs can immediately offer a physical version through Nanacast and Kunaki, highly recommended.

0:34:24 AB: By the way, I've written blog post and done an interview with ClickBank on ClickBank's blog all about physical products. And if anybody is interested just go to the ClickBank blog and search for "physical products" and you will see some of the stuff that I have come up with. I highly recommend any aspiring info product publishers to include a physical version. It cuts down refunds, customers prefer physical versions, you are able to add up-sells, it's like all good. And it's not that much work if you use an on demand facility like Kunaki through Nanacast.

0:35:03 JA: Then I want to add a caveat to that too. I really like Vervante as a company because they can do a wide variety of combination packages. They can do books, binders, CDs, DVDs but they can also do any combination of those things. And Vervante is a good HiTouch company. I also like them because you don't have to load your account. So it's true net30 collection and that means you can get started and you don't have to worry about your budget or having any stock on hand. They'll truly do print on demand, no start up cost and they just ding it 30 days later, which is after you have collected the money. So it's a great way to start up a Vervante.com and we integrate with both Kunaki, Vervante Disk, PMA fulfillment and also we have our API. So pretty much anyone can integrate with any fulfillment services they want even in-house fulfillment.

0:35:48 AB: Yeah I have used the Nanacast incoming and outgoing API over the years in a multiple of ways. It's just great to be able to whatever you can think up or comes along in your business, to

be able to access and either send information in or get it out of Nanacast is great. So an example, I mentioned this fulfillment business that we ran for several years, where we worked with some of these top ClickBank publishers, one of the key things that we decided to do, because we wanted to automate and centralize our business in Nanacast, is we actually pull customer shipment information from ClickBank, bring it into Nanacast and then send it out to the appropriate fulfillment house for that order.

0:36:41 AB: And that gave us several advantages, that gave us a central look at all of our customers. So, if we needed to change a shipping address or refund the customer or automate where that customer name went on an email list we can do it right from Nanacast. It allowed us to send appropriate physical product orders to the right warehouse because we have multiple warehouses, some of the ones that you just mentioned. And we use the Nanacast API to do that and that was the case of bringing information into Nanacast. We've also used it to post dial.

0:37:18 AB: So we have a partner that uses a custom tracking software to track all of their affiliate activities for us. And so we used the Nanacast outgoing API when we get an affiliate sale from them to ping the appropriate data so that they can more effectively make their media buys and therefore send us more money and customers. So, yeah I think the sort of open-ended Nanacast API ingoing and outgoing, we've used it as you've said in a variety of ways and it's really key to helping... That's why I recommend people start with Nanacast because as you grow, you might need this stuff. And you don't know now what you might need in six months. And it is a huge pain in the neck to shift, switch shopping cards or e-mail providers or any of these fundamental things in your business. So you want to be sure that you've picked a place that you can grow for years.

0:38:22 JA: Yeah you make a good point. I often mentioned that people say, "Well, I don't think that my business is ready yet for the vast amount of features." And so while it doesn't matter you simply use the feature that you need now and you add in others. And some people make the mistake of saying something like, "Well, I'm not quite ready for an affiliate program." Well, you better be ready because the day that someone walks in the door and goes, "Hey I want to promote you this evening," you wanna say, "Yes." You don't want to pass up on that opportunity. So now, you've mentioned affiliates, it is part of your business. Is it a key part of your business? What kind of affiliate offers you're doing? You're in CPA offers? You're in standard commission? Both? What kind of stuff are you into at Nanacast?

0:38:58 AB: Yeah, kind of philosophically I believe as a product owner that it's our job to generate the majority of our own traffic. I never want to, for my company, rely exclusively on others to send me visitors and traffic. There are many examples in the Internet marketing world that like the Internet marketing syndicate where people are just cross promoting their own offers. And that's cannibalization, you're not bringing in new customers and visitors, you become beholden to your so-called partners. And philosophically, I never wanted to run my business that way. I have seen many cases, really smart people, great product owners that built the business, but because they rely on others for traffic, when a new offer comes along that attracts that affiliate's traffic, they are left in the dust. And they've got a staff of multiple people and overhead and...

0:40:04 AB: Anyway, I don't mean to get on soapbox but I feel it's super important, and I'll never give that function of our business up. However, that said, I do believe that affiliates can be a fantastic sort of rocket fuel to your business or icing on the cake. And even though I feel very strongly that we need as product owners to generate our own traffic, God bless affiliate traffic, I

mean it's great. It converts rate. It can be mutually beneficial, and as long as you're not beholden folks and you're not promoting things that you don't believe in and there is a sort of a mutual respect, it can be a very effective relationship. So I think we get maybe 30% of our traffic for sales come from affiliates. The way we have chosen to run our business is again to sort of keep it simple stupid, we don't have an open affiliate program it's a private sort of invite only.

0:41:08 AB: When it comes to affiliates, I would rather work with people who I know, like, and trust, and know can generate significant volume. I'm not really interested in putting this out on like a ClickBank marketplace where hundreds of thousands of affiliates could promote it. I get concerned that they'll do bad things. They'll promote it in a way that I don't feel comfortable with. They'll make aggressive or untrue claims about what their product does and I just don't want to risk that. So, the way we've chosen to set up our affiliate program is, it's private, it's invite only, we run it through Nanacast. So when we find somebody we want to work with, we can send them an auto link and other publishers won't see our products, just the folks that we want. We set it as a cost... As a percentage of the cost per sale. And occasionally, when we work with a really great partner, we'll make above normal commission, for those folks who are really spending a lot of money on our behalf. But that's sort of the way we've chosen to run the affiliate program.

0:42:18 JA: Have you found any benefits in the Nanacast affiliate technology?

0:42:20 AB: I think there are several things. I mean, well, three things really. First, our affiliates and JV partners love the fact that there's both cookie tracking and IP tracking for their referrals. And what that means is some systems such as like a ClickBank, and I hate to knock them with all these stuff, but ClickBank just uses cookies. Some computers drop cookies. Their browsers aren't set-up to accept them. I think Firefox is coming out with a new version that is gonna not accept cookies by default.

0:42:53 JA: I pushed in the marketplace just all the systems to adopt these new philosophies. And we went with that quite early. And we know that some affiliates, when product owner approaches them, they won't even run the offer unless that product owner puts their offer in Nanacast. So you are making a pretty big valid point on the cookie and IP tracking.

0:43:14 AB: Well, yeah. And I'll just add, the bottom line for affiliates is that that results in more accurate tracking and therefore more commissions to them for their traffic. And I'll let you in on a dirty little secret. I won't name the network, but I've run products on other networks with partners. And there is a good size percentage of sales that will come in without an affiliate tag on it, without being credited to an affiliate, when we know for sure that's been driven by an affiliate. We just have no idea.

0:43:51 JA: I've talked to top affiliates in various networks. And it is, it's industry wide. So you'd... I always tell people this, I said, "Regardless of whether you go with Nanacast or not, you need to ask serious hard questions to any solution that you're considering running an affiliate program with, because if they haven't got the very minimum IP and cookie tracking, that's the minimum. I mean, Nanacast offers several other layers of tracking, but IP and cookie tracking is the minimum, if they don't have that, then they are not up to par." I've even seen some solutions that are coming into this market to try and compete that purposely chose not to do IP tracking, probably because of the limitation of the technology platform that they already had built. So, they knew that they would have to rebuild it, or it was gonna be this huge thing they just wanted to get something to market.

I'm thinking, "Holy cow! You guys are openly admitting you're only tracking by cookie?"

0:44:37 AB: Right.

0:44:37 JA: "In this day? That's crazy!"

0:44:38 AB: Yeah and a... As an affiliate, they seriously, they recognize that, the good affiliates will recognize and will want that. So, the tracking aspect, the fact that we can do lifetime commissions. So, an affiliate partner brings us a customer, we can pay them for subsequent products. They love that. Some of our affiliates are very sophisticated and are... Have multiple campaigns, multiple tracking IDs. And they wanna be able to see... To come up with some of those metrics that I shared with you. How much are they earning EPC, earnings per click?

0:45:16 JA: Do you have a real success story where a product came in and was converting at 10%, you got that immediate bump from the secure checkout page, then you're able to tweak the process to maybe grow that by... 'Cause it sounds to me like you're talking about increasing conversion rates pretty close to right off the bat by 100% on most offers just on the checkout process, but then you're talking about additional increases. Is there one that you've been able to bring in to Nanacast, tweak the process and get 100%, 200%, and 300%, and 400% conversion increase?

0:45:43 AB: Wow, you know, we've certainly achieved those rates over time, Josh. But, really, that blocking and tackling that, you know, looking at what can we do to make the banners better, so we get more traffic for every buy? Then what can we do to improve our landing page and the conversion process of the number of people who click Add to Cart? Then, what can we do to improve the checkout page? Then, what can we do to add and improve the up-sells? So, it's really sort of starting at the top of the funnel and moving away down. We've certainly... When we launched the particular series of products over a year ago, that's really helped us grow our business. You know we've more than tripled the conversion rate since the very first version went out there. We've certainly tripled the amount of revenue per customer. But I wish I could say it was, you know, just A or B, but it was really A, B, C, D, E, F. And by the way, there were... That's not even listing all the things that we tested that didn't work.

0:46:50 AB: I'm a strong believer, again, I say this, I don't always do it, in always be testing. So, I'll always be testing something, whether it's a new video for your sales page, a new up-sell offer, a new price point, a new banner ad. And we do a good job in some areas and a bad job in other areas. But, it's really that compounding impact of those continual improvements that can really make a business go. And I kinda think that it takes so much energy to get a business or a product off the ground, to get it where that it's converting profitably to cold traffic, that somebody that doesn't know you from Adam that you got a Google, pay per click ad or you did a banner. Once you get that rocket off the ground and now it's break even. It's like... It's so much easier to take it to a \$100,000 per month or per year business and then a million dollars. It's that first 5 feet off the ground that's so difficult.

0:47:57 JA: It would almost seem like it was easier for you to go from seven figures to eight figures in volume.

[chuckle]

0:48:01 AB: Yeah. It's kind of funny, but I think you're right. I think it's so much easier to scale a product or business that got a baseline of success than it is to come up with a brand new product. I mean, we've launched several new products. I mean, you've probably seen them in our Nanacast account and maybe they get 10 customers or maybe they get 100. But we've certainly had a number of failures, so it's just a question of, boy, when you get that ship off the ground and sometimes you don't even realize it, you're like, "Wow, we're breaking even!" That doesn't sound like, "Yay!" But really, you should be going like this, because you can start to implement all those things that we talked about. And scaling is the fun part of a business and it's certainly a lot easier in many of ways than getting a hitch to start with.

0:48:59 JA: So how do you manage a business that is doing that type of volume you're doing? In just sheer transactions, we're talking about a fairly short period of time in the number of years you've been using Nanacast. I don't know if it's three years now or what or somewhere close to that, but you've been able to run 500,000 transactions through it, but yet you seem to be running a fairly simple ship. How do you manage the fraud [0:49:28] , the risk, the charge-backs, the customer support without having to just wear yourself out and still be able to enjoy your life?

0:49:37 AB: Yeah, we've certainly had some growing pains as the business has grown. For many years in our business, it was just myself. And then we brought on my wife as a business partner, and we brought on a customer service person and it was the three of us for several years. And you can do seven figures in revenue with three people and a good team of outsourcers as needed and great fulfillment people, a reliable platform like Nanacast. You can build a business that can do seven figures that way. As our business grew in the last 18 months, when we started to hit eight figures and higher, it became impossible, and we had to bring on more folks. We have a team now of seven plus maybe ten independent contractors and customer service agents.

0:50:34 AB: So we've had to expand over time. We're still probably pretty lean for the amount of volume and transactions that we're doing. I think that's probably because we've tried to design things to scale and automate. So for example, I mentioned every one of our products has a physical component. We decided very early on to outsource the production and fulfillment of those things, so we're not shipping products ourselves. We have an industrial size printer that we work with, with huge printing presses, and we're ordering 25,000 books at a time. We couldn't do that on our own. We had to find the right partner who could do that.

0:51:18 AB: The same thing with our warehouse to ship it. You know, they have 75 people on staff. We couldn't do that out of our kitchen at some point. We tried to automate a lot of the customer service aspects of our business, and in some cases that's been a negative for us, quite honestly. We made a decision early on to try and do just customer service through email, and that worked pretty well for a while. But one day, our customer support, our sole customer support agent came in and said, "I've got 1400 emails," [laughter] "I need some help." And we quickly picked a customer service ticket system. We moved things from email to a ticket system. We created canned responses. We brought on independent contractors to help us at all hours of the day.

0:52:16 AB: You know, we created a frequently asked questions section so that customers could self-serve to some respect. We outsourced to our warehouse to take some calls for the customers that really wanted to talk to somebody live. Those have been things that we've done to try and automate to and make the process so that we didn't have to hire a hundred people. But that said, I realize that we still need to raise the bar, and we could be doing better. So, for example, we recently

decided to hire a call center that will be available to answer our customers' questions, track shipments, make up-sells, and that's a big deal for us to do that. But I think we've grown to the point where we probably should have done it six months ago.

0:53:08 JA: That's a great problem to have. That's always the phrase I use with my accountant and say. "Yeah, I like having that problem."

0:53:14 AB: But I think... And maybe we're not great in that we get... We solve these problems when they become problems, I guess. But I would much rather sort of get something out to market, fine tune that process, and pyramid kind of our process and business rather than the reverse. I've got friends that will invest in a significant infrastructure and a lot of people before they even launch a product, and I just kind of feel the opposite, that I'd rather be adding resources and stuff late as long as it doesn't wreck our business. Back to that story, when we had 1400 customer service emails, we jumped in that, everybody in our team stopped doing what they were doing.

0:54:05 AB: We brought in my wife's best friend. We set up three or four computers around our kitchen table, and for three days straight, everybody in the business just did customer service tickets. We had contest and we basically blew through all of those tickets in, I think it was like 72 hours, then we put everything into the proper system and scaled up. So I'm not saying that we did everything right and it certainly caused moments of panic and setbacks and those sort of issues, but philosophically I think that's the right way to go.

0:54:41 JA: The important thing is just that you created the opportunity that created the problem and you were able to learn from it and gain insight. It's just something you hadn't been through before and now you're starting to understand how to run a business at that level. It wasn't like you knew that you are going to be at that level overnight and it just start happening...

0:55:00 AB: This is kind of touchy-feely, but I was in a mastermind group, and I was kind of relating my business and somebody was saying, "Why don't you have more employees?" And I said, "Well, I'm kind of afraid. I don't want to hire somebody then if the business goes away disappoint them, and you know have to deal with this. And I had this idea of sort of one-man one-laptop." And that's really cool but this friend kind of flipped it around and he said, "By not hiring employees and bringing more people on, you'll been giving them a blessing." People are looking for work. They're looking for exciting growing business, and by not hiring people you're doing a bad job. You're not giving blessings. It's not a theory of abundance. You're looking at the negatives. And it kind of like a light bulb went on and in that mastermind meeting and my wife and I came back and we ended up hiring our first full-time employees after that. And that sort of theory of abundance and thinking of a job as a blessing, was sort of a philosophy change.

0:56:11 JA: Yeah and for me, it's a great thing. I don't look at my business as just what it does for me and my family. I like to look at my business as supporting families, and also I look at my business as the impact it makes in those families. I see the impact that those people make in the lives of other people around them. And so I see that it's as I'm becoming successful and as my employees are able to be provided for and they're able to impact other people lives, I see that as the greater success that a business can have, and I think that's the big reward for me. Obviously, there's a lot of benefits in owning your own company, but for me the big reward is just seeing that people really get excited about working for you and being part of something that they can see results in.

0:56:56 AB: Yeah, I agree 100%. I'm not sure about your background but I came from corporate America and many of our employees did and there's so much sort of soul sucking work out there. When we created our sort of vision statement or mission statement for our company, the first thing we put was we want to be a good people for good people to work. I'm sorry, a good company for good people to work. I think I'm paraphrasing it wrong, but essentially I agree 100%.

0:57:29 JA: Well, when you say you're not sure about my background. I was homeless and transit for a decade, so I come from a completely opposite background. [laughter] I came straight off the streets and built my business off from scratch. Just went into door-to-door sales and found the internet and got into internet marketing, info publishing, and then eventually developed my own products. Actually that brings back, I'd kind of like to step back for a second, because you came from affiliate marketing and yeah I did affiliate marketing too in the early part, but I did recognize that the potential of having my own products, I just didn't really know how to come up with those ideas.

0:58:06 JA: And so for me the first idea, that was the big 'a-ha' moment. And when I took it to market that first day, I made more money in one day than I could have even imagined. And so that was the total change from the whole affiliate mentality and we're making a commission, to knowing that, hey, sure that lifestyle, the affiliate lifestyle is good. You don't have to worry about a lot of the support and all those other things but for me the big money is in owning your products. And I've heard other people similar to you, they are just excellent affiliates, they're good at traffic. And then they start to realize, "Hey, if I develop my own offerings, I actually can do this too and have a nice chunk of that pie," and so it seems to be a pretty good transition. How did you come up with your first products ideas? Was it really just knowing the market? 'Cause you talk about knowing the market. How did you even get to know that market 'cause that's just...

0:59:00 AB: Actually that's an easy to follow blue print I've had. So, actually I think starting offers in affiliate is a great idea because you can find out what products are selling well and then you can reverse engineer where they're selling, how are they being sold. Is it through pay-per-click. What do the ads look like? What are our affiliates doing here for pre-sell pages if anything? That's a great place because it's a way to start, and then once you find either a market or a series of products that you're successful with, then you can look at it and this is by the way what we did, "Okay, now I'm making money as an affiliate with a certain product in a certain market. What can I do to add value to this equation? How can I make a better offer, better product, better customer experience?"

0:59:56 AB: And I've explained how... What we did. Where we said, "Okay, we'll charge half as much money, we'll offer twice as much stuff and we'll deliver it in a physical format." Those were kind of the three key differentiators looking at what other affiliate products were out there. So I think actually starting as an affiliate is a great model. And then once you get some traction and find a market that you know how to access and get traffic, you know the kind of consumers that are purchasing those affiliate products, then it's a natural move to say, "Okay, I want to become a product owner and vendor in this market."

1:00:36 JA: Do you have any advice for people who are coming from a more simple business model or affiliate business model where they're just simply going, finding offers and buying traffic? Everybody seems to migrate from those kind of limited feature standard networks and then they come to Nanacast, and suddenly they're making four or five times the money that they were making before.

1:00:54 AB: Yeah I guess it's kind of an individual choice because I've met and know many of the people sort of similar to what you're describing where they just want to be on the beach 10 months of the year, and isn't it cool that I'm making X dollars without lifting a finger? And that's cool, that is totally cool. I was there for quite a while and I respect that definitely to a degree. I think my advice to folks who are thinking about that transition is, you might have a business going and it might be sort of simple and where you want it to be but over time, those folks, those product vendors, are quickly gonna recognize and see the flaws in their existing platform. And they're gonna say, "Well, how come only 10% of the people who hit my checkout page actually complete it? How come I'm not able to easily ship my customer's physical product? How is it that another... The platform's customer service agents are issuing refunds on my behalf? How come I can't talk to that customer and see if I can solve their problem and issue... Make a save-a-sale offer?"

1:02:11 AB: I think as people tend to mature and have experience in those other platforms with limitations, these things... These become bigger and bigger pain points. And it's gonna be an individual decision where they're eventually gonna be like, "I'm ready to shuck it and try something new." I guess what I would maybe from a marketing perspective for you and the Nanacast team would be to transmit and articulate that value proposition because that's probably an ideal customer for you. Somebody who's on a ClickBank or a Avangate or a JVZoo these other platforms and be like, "Hey, listen, here are the key benefits and key features. And we've had people like you come through the funnel and here's what they look like once they're up on Nanacast."

1:03:03 JA: How has our support been for you? I mean what kind of benefits have you received from doing business with us just our philosophy and who we are as a company?

1:03:11 AB: Yeah, I think couple of things. First, the support group is very responsive. I tend to... Problems always seem to creep up in life, you know, at 9 o'clock on a Sunday, right? It's never 10 AM on a Monday that these things happen. So any business, whether it's something that we're doing wrong or some sort of system issue, things happen and I've been impressed at the responsive from the team. I typically get a reply very quickly, good information and usually it's, "Hey, we're investigating," or "Hey, we've got this fixed," or "Hey, you did this wrong." So I appreciate that. The second thing is, because of the nature of the system with the open API, it really lets people kind of choose their own adventure.

1:04:05 AB: So there have been some cases where we wanted to do something and we've come to your team and said, "Hey, we'd like to do this. Can you develop this? Can you make this part of the base Nanacast system?" And the answer has been like, "We'll consider it. We don't know if it fits in with the rest of our customers, but by the way, you can do just what you need to do through the API." So sometimes I don't get the answer I might like, [laughter] but I get an appropriate answer and, "Hey, you need to go do the work. We've given you the tools how to do it." So, those would probably, you know... Plus you've got... Is it okay if I say Cameron's name?

1:04:47 JA: Sure.

1:04:47 AB: Okay.

1:04:47 JA: Yeah.

1:04:47 AB: You've got a really sharp particular guy, Cameron, that we've worked with for several years and like. So Cameron gets my thumbs up. Ask for Cameron.

[laughter]

1:04:55 JA: Yeah, we love our team members. They're great people, and Cameron is definitely an integral player. But the reality is, we have a unique team and I think that everybody brings something special to the table and it's hard to do it without each of those unique contributions.

1:05:12 AB: Yeah.

1:05:14 JA: It's really something good.

1:05:15 AB: One last thing, and I'll give you some credit and some praise. You struck me over the years as quite a visionary for the kinds of features that you want to add into Nanacast and have added into Nanacast. Bringing in kind of big, bold ideas like, I want to bring in Facebook Connect or all the content syndication stuff that you're doing, which by the way, those are features that we personally don't use in our business, it just it isn't a good fit but it's still kind of nifty and cool and I think that it's kind of fun that you're thinking... I tend to think I'm more sort of a micro level and it's clear to me that you're thinking kind of big bold tech ideas. So it's kind of cool to see those things come through, and I think that's kind of fun versus, honestly, you go to some of these other platforms and it's the same as it was five years ago and it'll probably be the same in another five years.

1:06:16 JA: Yeah, you know, that's part of who I am, it's part of what I want to do in the industry. I have big ideas and some of the things we discussed, they do make significant impacts. We do things a little bit differently than a lot of other platforms. We're not a "me-too" in the marketplace, we're an innovator. We bring out new ideas, we help people make more money and if we see something that's gonna make you more money and it's desirable to bring to the market, then we really work on doing that. Well, I just wanted to thank you for spending some time, sharing some things. You got any parting words? Anything that we didn't touch on that you just wish we did?

1:06:49 AB: Ooh, boy. I mean, it's been a fun discussion, we've covered a lot of ground. So, no, I mean I think it was fun, I enjoyed the conversation, I hope it's helpful to some of the folks out there that are... Either have a business or are starting a business. You know, I wish I would have heard some of the stuff we talked about when I was starting out, so I do hope that it helps people. I also hope that my... That sort of how much I like Nanacast didn't come across as insincere because I really do believe that you've got a great product and we've built our business, in a large part, on it as a base. So I didn't mean to come across as overly promotional, just wanted to share what's been working for us. So, yeah, I think it was a good discussion. Thanks for... I like to talk, so thanks for asking me to talk.

1:07:47 JA: Yeah, I like to talk too, but it's fun to listen when someone's got so much to share. Maybe next time we'll have to talk traffic.

1:07:53 AB: Oh, okay, cool.

1:07:54 JA: So, thanks again for joining us.

allen

1:07:55 AB: Yeah, you bet. See you, Josh.

allen

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