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Interview with Mike Filsaime from Mikefilsaime.com



Adrian Bye: So, today, I'm here with Mike Filsaime, who's actually going to tell us the correct way to pronounce his name. Mike runs a \$5 million info-marketing business with a relatively small team and has only been around in a big way since about 2002.

Mike, do you want to go ahead and tell us how we should say your name and what it is you're up to?

Mike Filsaime: Well, you got it right, the way it's pronounced professionally is just Filsaime. I look at my name, spell it phonetically and I knew that it would just be easier online to get people to my website. You know, knowing the problems that my homeroom teachers had when they tried to read the name. It's a French name and I grew up saying Filsaime.

When I was in the automobile business, when I was a general manager of car dealership, they would prefer me as "Mike Filsaime, you have a call on line 2" but I knew that that would be just a little confusing. So, I said I'm just going to brand myself with Filsaime and then slowly, I just started realizing when I would start calling from my own things if I was calling the phone company, I would just say, the last name is Filsaime, so I've adopted it myself.

Yes, I started online. While I was working in the car business in 2002, I was running the nation's second largest Hyundai dealership. I was also going back and forth with the 9th largest Toyota dealership in the country. We were going through a massive growth phase at that time, so I took 9 months off with them just to do the company training. We went from 7 dealerships to 13 dealerships in 5 months and we were buying different dealership. It was right after 9/11.

So, what was going on was we were growing. We were taking dealerships from a hundred cars a month to 200, 300 and even 400 cars a month and we doubled our size. So, what we needed was a massive amount of sales people at that time. You know, the car business has normal turn over to begin with, so what we were doing is we were putting ads in the paper. We were getting classes of 60, 70 people every single Monday. They'd come in, fill out an employment application, bring them right upstairs into this massive conference center that we had and I would train them from Monday until Friday. Friday, they went right out on the floor and after about a week those 70 people would be dwindle down to about 20 and dispersed throughout the different dealerships. They were all begging saying, "Hey, you only sent me one persons, I need six."

So, at that time, I was trying to put a manual together. I started doing a lot of research online for overcoming objections, closes and different things like that. While I was online, I was getting hit with some promotional

materials like we all do, whether it's spam, porn, Viagra, how to make money in FOREX, all those types of stuff and one of them was *The Secrets to Online Profits*.

So, I would delete this thing every single day. Then one day, I said I'll look, let's see what they're saying. You know, the sales order was typical infomercial stuff. It was "How to make money while you sleep with your website that works 24/7" that type of stuff. I said, let me give this a shot. It sounds exciting. I think putting up a website and having it make money for you, it's very sexy in terms of making money.



So, I put it up and I started playing around with it; that was October of 2002. Then, in March of 2003 it was when everything changed for me. I said I'm going to stop trying to sell things. I'm just going to give away free products that I have the rights to and in exchange, I'm going to ask for their names and their e-mail address. What I started noticing at that time, Adrian, was that for every person that I had on my opt-in list, I made a dollar per month for whatever number that was.

So, if I grew my opt-in list to 3,000 people, well that month I would make \$3,000. Then, when I had 5,000 people in my opt-in list I made \$5,000. When it got to 9,000 I made \$9,000. So, it's very, very quickly. Yes, \$1 per subscriber per month.

Adrian Bye: Okay, that's a pretty high level of revenue.

Mike Filsaime: Yes, right now it's not quite that, it's about \$0.65 because the laws of attrition come into place because certainly somebody that's been on my list since June of 2003 is not going to convert as well as somebody that just got on my list yesterday.

So, the number isn't quite as strong but it stayed now, right around \$0.70 for every active subscriber that's on my list. So, I just said to myself, I'm going to build a business based on building a list and building relationship with that list.

Adrian Bye: Let me make sure I understand this, so you're talking about these guys, these are guys that you have on your list. They're generating \$0.65 per month, month after month for 5 years.

Mike Filsaime: Correct, every single month.

Adrian Bye: So, if someone is in your list in 2002 and obviously people unsubscribed, let's say, someone that joined your list in 2002, they're spending an average of \$0.65, you're earning an average of \$0.65 every single month from that person.

Mike Filsaime: Yes, that's the metric. You know, there are some that are probably worth probably...there are some that actually pay me for \$97 a month, there are some that pay me \$67 a month and there are some that they just buy a \$47 product one time. But the metric is about \$0.70 per subscriber. That's what a lead is to me. It's probably a little bit more, it's probably worth about a dollar when they first get on.

So, I'll know that it's worth for me to spend \$3 to get just one subscriber because I'll make \$12 on them over the year, every year.

Adrian Bye: Is this only for subscribers that you generated giving them something for free and then they sign up afterwards, so they're actually fairly quite high quality subscribers?

Mike Filsaime: You know, I created a style of marketing that was...it was my first major home-study course, it was called Butterfly Marketing. It had to do with the butterfly effect. You know, a butterfly flaps its wing and one part of the country can affect the weather and another part of the country in several months because small things actually put tiny changes into motion that they can have a dramatic effect over time.

So, we created a home-study course called Butterfly Marketing and the whole premise around that was to lead in with a free offer. If you have any type of website where you're trying to get people to pay upfront, we encourage people to break down their product into a light version and using the laws of commitment and consistency, get people with that shy yes to give up something, to give their name and e-mail address and buy into your product. Once you got them to buy into a light version of your product, then immediately, you can hit these people with an upsell. We like to offer that upsell in a one time offer.

Adrian Bye: So, how do you drive traffic to something like that? Let's say, they've been signing...

Mike Filsaime: We use viral marketing.

Adrian Bye: So, you mean like its word of mouth.

Mike Filsaime: Yes. One of the things that we do with Butterfly Marketing, I developed a software called Butterfly Marketing, it's at ButterflyMarketing.com you'll just see probably 40 different testimonials of people that use our software that's just had incredible success with it. You know, people like Bob Procter, in one of his recent launches, they used our Butterfly Marketing to launch their stuff with our concepts and everything.

Basically, what it is, the concept of that every single person that comes through your system becomes an instant affiliate.

So, all you have to do is give me your name and your e-mail address, and I instantly give you a URL. So, you come in and I say, "Hi, Adrian, thanks for signing up for XYZ." You probably just noticed we presented you an offer for the upgraded version for a \$197. Do you know that you can earn 50% commission just by giving away the free version of our software, of our newsletter, whatever the case is and here's your URL. We provided for you some pre made tools. Here's a tell a friend; if you have an opt-in list, here's some e-mail copy; here's a blog review, you can copy and paste and put on your blog, it already has your affiliate link attached; here's a YouTube video that you can put on your blog with your affiliate link underneath it; here are some Google AdWords that you could...keywords that you can advertise with; here's a press release; here's articles that you can go and here's some article directory..." We give them up to 17 different ways to advertise their URL.

So, this one person, now comes in and starts posting on their blog, gives backlinks to our site, all these type of stuff. Now, this one person goes out and gets a few more people that come right into this funnel again. That person comes to the free website, enters their name and e-mail address, sees a special one-time offer to buy a \$400 product for a \$197. Whether they buy or not, they get an opportunity to give away the stuff for free and get paid 50% commission. They get \$100 commission if somebody buys the upsell just by giving it away for free.

Adrian Bye: This is only going to work in the biz op type market, isn't it?

Mike Filsaime: No, it's not, that's not the case. It actually does work, you know, it accelerates a lot faster in the biz op type of market for sure, but there are people that have done very, very well with this in personal

development and things like that. You know, it's not going to work in knitting, it's not going to work as well in hair loss or something like that. However, if you do say to someone, if you word it a little bit differently and say, "thank you for requesting our report on how to cure hair loss" and maybe, you made a pitch for your hair loss products or whatever. You know, you can put a process in there, at this point that says, "Dear Adrian, thank you for considering our products. Do you know that we have a referral program, if you know anyone that would be interested in learning how to re-grow hair, simply enter their names on this form and hit submit and if they buy our products, our affiliate program will pay you 50% commission or 10% commission or whatever that maybe."

So, it's not going to resonate as well with that person as it will with a biz op person but it definitely still works.

Adrian Bye: Have you got any metrics for non-biz op type markets on how well that's worked for them?

Mike Filsaime: No, I don't because I don't have made products in niches like that, some of my customers do but I don't know their metrics.

Adrian Bye: Right, okay. Cool. Well, please go on.



Mike Filsaime: Yes. So, going back just a little bit, what I started doing, as you can see I moved into viral marketing. Originally, it was just "let me give away stuff for free" and build a list, I started two major things that I implemented: (1) I decided to...as soon as somebody gives me their name and e-mail address, make them an offer immediately. There's no time to make an offer than at a time when somebody is interested. That's why I don't wait and do a 7-day follow up with e-mail and then try to sell them. That's your site for a

reason, they're interested now, they may not be interested tomorrow but while they're hot, I want to make an offer to them immediately after they enter their name and e-mail address and we use urgency, scarcity and a price reduction with contrast to a higher price. What I mean by contrast is you can't just tell somebody there's a discount without showing them some type of proof that it's actually selling somewhere else at a higher price and that other people attain that higher price as we speak. Then, when you show the people the discount, a very important thing that needs to be offered is the reason why. Why is this a one time offer and why are you giving me this \$397 product right now for \$147. If you don't give the people a reason why, they're going to feel like they're being exploited. They're going to feel high pressure. Well, this is ridiculous, why do I have to either buy this or click a link that says "I'm going to wave goodbye to this offer right now."

So, it's very important to put a reason why in there that says something like, "the reason why we're offering this at \$147 right now instead of \$347" and you give them a reason. It's a new product and we want to gather testimonials. As soon as we have enough testimonials, this offer may be pulled at any time. So, all we ask is that if you do buy this at \$147, if you absolutely love our product, all we ask is that you provide us a testimonial so that we could use on the sales page when we sell it at \$397.

So, now the person says, okay, that makes sense and obviously they can't offer me this at any time and then they consider the offer without feeling exploited.

So, that was, I said there were 2 things, one was making an offer as soon as people give their name and e-mail address and number 2, employing viral marketing. If I just paid to get a visit on my site whether it was with my time and effort using Search Engine Optimization or whether it was with Google AdWords and I'm using pay-per-click, most people that are into marketing don't understand the power of viral marketing. They look at every visitor that comes to their site as either take action or doesn't take action and that's it. They say, okay, here's somebody who came to my site, they didn't take action, they sit and they wait for their next visitor. The next visitor comes to the site, they say, here's someone that took action and we put them through an upsell process in our marketing funnel and what have you. What they don't always realize is that that visitor that is at the site can be used to get more visitors to the site. When you start understanding the power of viral marketing, what happens is if you can get one visitor...for every visitor that comes to your site, if you can get your factor up to a rate of just 1.0, that means, if you're getting 5,000 visitors to your site today and every single day with your current marketing and you implement viral marketing strategy, you can double your rates then tomorrow, you will have 10,000 people come to your site. It will start to grow from there. If you just start implementing a way for people to refer your site and one of the important things to getting people to refer your site is "what's in it for me" factor. You know, we've all heard that expression every...

Adrian Bye: You say, let's just go on with the viral factor, how did you get the viral factor, keeping it above 1.0, did you figure that out yourself or did you learn it from someone?

Mike Filsaime: Well, there's something in viral marketing called the viral coefficient or the viral exponent or in the study of viruses and virology, the study of viruses, there's a lot of different things that affect the growth of a virus. One of them is something known as the viral coefficient. What will it take to get this virus to grow and then, you measure that metric. Any virus that is under 1.0 will eventually die. Any virus that's under 1.0 is going to eventually die.

So, I'll give you an example, if your viral...

Adrian Bye: Just to clarify my question a bit, is it something you figured out yourself or did you learn it from someone?

Mike Filsaime: I learned it.

Adrian Bye: Do you remember who you learned it from?

Mike Filsaime: You know, I got really big into studying just viral marketing. I learned a lot of stuff from Mark Joyner without a doubt. Mark put some pretty good viral marketing strategies into place. Then, from there, I started just really looking into everything I could find out about viral marketing. There's about 5 or 6 things that are very important in the viral marketing campaign that you have to consider when you're putting something into motion.

Adrian Bye: I mean, I first learned this about the concept of keeping the viral coefficient above 1, that came from Greg Tseng, who found a tag. He did a lot of viral marketing back in like 1999 and 2000 with CrushLink, where you'd invite friends to your site to find out if you had a crush on them. He talked very much about keeping your viral coefficient above 1.

Mike Filsaime: You have to.

Adrian Bye: If you're above 1 then your site is fairly growing.

Mike Filsaime: You know, if you have 1, you're the biggest hero on the world. That's nearly, I shouldn't say impossible but it's very difficult to get the 1.0 or higher. But if you start going to 1.09, that's like taking the penny and doubling it everyday. What I mean by that is if you have 100 visitors to your site and you go to 1.09, in which tomorrow you're going to get 109 visitors and then the next day, you're going to get 120 visitors, the next day 133, the next 146 and then you go out to just 60 days and you're starting to hit 380 and that number becomes 510. Then, you just start multiplying like that, next thing you know, within several months, you're getting thousands of visitors per day and you started with just your normal 100 that you were doing with your normal marketing through pay-per-click or whatever it is. If you're at .70, if you're at 70% instead of 1.0, that's not that good. What that means is you have 100 visitors today, tomorrow, you're going to have 70 and the next day you're going to have 50, the next day you're going to have 35 and then, very slowly, in 15 to 20 days, you're down to 1.01 and that's what we consider a dud. That's what everybody walks around going, "I've got this great product, I got a great sales letter. It converts at 7% and when so and so did a promo to my site, we brought in \$42,000." Well, that's great, so what's the problem? Well, that guy moved on and he's not going to promote for me again, so I'm out looking for JV partners. Other than that, my site is a dud until I can find people to promote for me or I go out and spend money on advertising.

So, if you've set your sight on virally and somebody sends you 5,000 visitors, well then tomorrow you'll get another 5,000 visitors from those 5,000 people. Then, those 5,000 people will give you 5,000.

Adrian Bye: How are you generating these coefficient greater than 1, are you sending e-mail yourself or what is the mechanism to, like as a virus thread, to infect the new users?

Mike Filsaime: It's empowering the people that come into your market to give them tools. This is where it comes into...and I'm not trying to sell Butterfly Marketing but this is where the concept of the butterfly effect in marketing comes into place. Is that you take one visitor, then you give that visitor a blog review, a press release, an ezine ad, an article for him to post in an article directory. You give him Google AdWords, you give him signatures to use in his forum, you teach him how to change his signature in his outlook e-mail that every single time he sends out an e-mail it says, "Would you like to learn how to do this, click here." You're giving them banners. You give them a banner in red, in gray and in blue.

Adrian Bye: Affiliate marketing is your approach.

Mike Filsaime: Yes, affiliate marketing is my approach. It's empowering people whether they paid or not and that's one of the reasons why I say, don't put a lock up on your door that says, unless you pay me you can't get it on to the other side. I always say break your service down to a free version and give everybody access to your system. Once they get in, also make them an affiliate, empower them to put your product on their blog, to put banners on their websites, to change their e-mail signatures or whatever the case is. So, what happens is you just start getting out there all over the place and you have no idea how the visitors come in to your site.

It's a butterfly effect. It's because some guy put a blog post that you wrote the blog copy for him, he put it on his blog. Somebody was at the blog one day, clicks on it, that guy becomes a member, who just another member that has a list of 10,000 people and says, "Oh, I like this, I'm going to promote this." That's exactly what my members want.

So, because one guy put it on his blog, down the generation of 2, 3 referrals, somebody with this big list comes up and then, one day, you suddenly see wow, that's interesting. We had 700 sign ups today at this site because there's always people coming in to our different sites. We have probably about 15 of these different sites out there on the Internet that uses concepts. What we do is we use them as lead generation to grow our opt-in with, just I told you, the more people that come into our list, the more our monthly income goes up. Then, from there, there's so many things that we can do from it. We could turn those people into affiliates, we have so many different products and services that we could offer them. We can put them through our call center and then, we could also promote other people's product, because of that somebody can come up to us and say, "Hey, I have a product that I'm launching on February 10th ..." and we'll send down an e-mail to them. We then make \$50,000 or \$75,000 in sales from just sending on e-mail for someone with a targeted offer.

Adrian Bye: Yes, so that makes sense. Have you ever talked to Rob Jewell? Did you talk to him at the cocktail?

Mike Filsaime: Who?

Adrian Bye: Rob Jewell.

Mike Filsaime: Who was that? No, I haven't had a chance to meet Rob.

Adrian Bye: He is the "free iPod" guy.

Mike Filsaime: Yes, I saw his picture, right. Yes, he knows viral marketing. I do a presentation, sometimes

people ask me to speak on viral marketing when I speak and free iPod is one of the things that I case study when I talk about viral marketing. One of the important things in a viral marketing campaign is the "what's in it for me." So, when the "what's in it for me" is great, people are going to share your message. If there's nothing in it for the person to share their message or doesn't connect with them, they're not going to share it for you. But getting a free iPod, well everybody would want to get a free iPod, how do I do that? Simply share it with your 5 friends. That's what's in it for you if you share it with...if you get 5 people to actually sign in for one of these offers, you get a free iPod. That was a very, very effective campaign and certainly, it was cloned and everybody and their grandmother attacked that strategy but it was innovative.

Adrian Bye: So, you've taken that concept, which I guess, you didn't learn it from him, did you? You learned it independently and really applied it very heavily to the biz op site, does that sound correct?



Mike Filsaime: That's correct. That's correct.

Adrian Bye: Alright, so you use this as lead generation and so you're then constantly building list to generate revenue per user per month, can you talk about list sizes and how many separate list you're managing?

Mike Filsaime: Well, I manage 2 different lists that come in probably from over 35 different sites. We have one site, our biggest is lead generation site brings in about 750 leads per day. Then, we have 2 or 3 sites that bring about 150 leads per day. Then, we have probably 10 to 15 sites that bring in anywhere from 35 to 55 leads per day. We're building a list in excess of 300,000-350,000 double opt-in leads every single year and that number has been growing every single year since we got online. What we do is as soon as somebody comes in to our marketing funnel from any site, they're immediately made an offer. Then, over the years we've created probably 5 different software packages, we run a coaching programs, so we have an 18 months of coaching content, we have 2 home-study courses which is Butterfly Marketing which is a \$1,500 home-study course and the 7 Figure Code which is \$797 home-study course. We have e-Books, we have a coaching program at JobCrusher.com.

So, we have just myriad of different products for the biz op Internet marketing community. How to make money online whether or not you want to make it in the different niches, you know, catering to dog grooming or whether or not you're doing it in the personal development or how to make money or how to anything, we teach people how to do that.

So, as soon as they come in to our marketing funnel, what we do is we currently are only contacting people that make a purchase. Certainly as you know, the higher the purchase, the better we do on our call center. So, as soon as they come in, they all register through a form and...

Adrian Bye: Before we go on to that stage of the funnel, you talked about some of the lead sites, are you open to showing us the pages, like would it be possible to see where the 750 leads a day is coming into, on which site?

Mike Filsaime: Yes, some of them are going to seem very professional, some of them are going to seem a little bit like wow, that's interesting. One of them is InstantBuzz.com.

Adrian Bye: ...and this the one that gets 150 leads a day?

Mike Filsaime: Yes, definitely about 150 leads per day.

Adrian Bye: Hundred fifty a day?

Mike Filsaime: We have PayDotCom.com.

Adrian Bye: Can you tell me which is the one that's doing 750 leads a day?

Mike Filsaime: That site.

Adrian Bye: PayDotCom.

Mike Filsaime: Yes. For anybody listening, that's not a 3-letter domain, that's a 9-letter domain. P-A-Y-D-O-T-C-O-M.com

Adrian Bye: There's not even like a sign up form...I mean, can you maybe taking through the viral process like how is this...

Mike Filsaime: Well, I'll give you the site that's a little bit easy to see the viral process. Go to The-Resource-Report.com. What is it asking you for there? Name and e-mail address?

Adrian Bye: Yes.

Mike Filsaime: Just enter that. I'm just going there myself. Then, accept the terms and hit "Yes, e-mail me the report."

Adrian Bye: It's doing that now. I'm entering a fake e-mail address. I don't know if it's going to get mad at me for that. I don't know I got it. So, now I'm getting this one time offer.

Mike Filsaime: Right. There's probably an auto loading video, off at the top of that page. When we added that video that tripled conversion. All the video does is say...read every letter on this page, it's that important, in essence. If you're wondering where I was, right there Adrian, I was in Melbourne at a hotel, at a seminar for World Internet Summit. They asked me to launch this site and share the results. The very first day, we had a conversion rate like at 1.7% on the one time offer. We were rushing the sites, try to get it ready to launch it live at an event to show them how this worked. Then, I said, I'm going to add a video to the page let's see how it converts the offer. We went to like 5.7% conversion rate just by, it's the same exact page, all we did was put that video off at the top of the page.

Adrian Bye: If there's a video of you, that's more personal and sort of stuff.

Mike Filsaime: Right.

Adrian Bye: So, when you say viral, all these cases, these are people who signed up, these effectively affiliates, this is almost like a down line that are then going out there and driving the traffic for you, is that correct?

Mike Filsaime: That's correct. So, what we're doing is we're leading in with a free report and then, after that you'll see if you hit "skip this offer" there may be a down fill, I'm not even sure. But whatever the case, when you're done skipping the offers, you'll see that you have an affiliate link and we tell you that you can share this free report on your sites or whatever the case is and we pay you on that offer that they just saw.

Adrian Bye: Yes, I'm looking through it. So, this is the process over and over you're using. But this could work out in mass markets like grants or mystery shopping or old Google Cash or some of those types of markets too, couldn't it?

Mike Filsaime: Absolutely, yes.

Adrian Bye: Some of these guys that are generating a lot of volume in those kinds of market could in fact probably apply this after their customers have gone through their sign up process or even turn this into their sign up process and drive a lot of volume with it.

Mike Filsaime: Yes, if you go to Viral-Friend-Generator.com...I'm not saying you, but anyone listening...if they want to see an animation of this process in a simple form, we have a video that plays there, that explains that

process to be used with anybody that does a traditional squeeze page to a self page or recapture page to an offer page, just by putting this one process. Rich Schefren spoke about it in his *Attention Age Doctrine* that he just recently released. That he used our software, not our home-study course, just the Viral-Friend-Generator. It's in his process right now, for the *Attention Age Doctrine*, you'll notice after you give your name and an e-mail address, he encourages you to share it with 3 people and then you get a free bonus if you share it, like a bonus call with a Jay Abraham or something like that.

So, every single subscriber that's coming in, given this ethical bribe to share the site and get a free bonus just by sharing with 3 people. So that person now sends it to their friends and those friends come to the site and so on and so on. I think we all understand how that works but that at ViralFriendGenerator.com there's actually a video that shows how that process works. It's powerful. It's so simple yet not everybody does it.



Adrian Bye: So, have you spent much time actually trying to buy media? I mean, you're obviously, if you're making a dollar per month, per customer even \$0.65, you could afford to spend \$10 to acquire just a lead couldn't you?

Mike Filsaime: What I spend every single month on advertising is about \$500 a month with 2 Google Ads for 2 of my sites that could be making me money, breaking even or losing money. One thing I've

learned is that you can't be great at everything. You need to be an expert at one thing and if you can dominate at one thing and you can be the best of the world at one thing, then you could be widely successful. Hold on just a second, the site just loaded here. I apologize. I didn't want audio playing in the background.

So, there are people that can show you how to get traffic from CPA, there are people that are going to show you how to get traffic from Google AdWords, from Search Engine Optimization, YouTube and social networking, blogging, eBay, Craigslist, DirectMail and things like that and the problem is that if you try to attract all those different things at one time, you're going to be good at everything and good at everything gets you very broke. I think, we all know that. It maybe surprising to some people that I don't spend a lot of money on advertising. We spend \$500 a month on advertising and we do \$5 million a year. Does that mean I'm opposed to advertising? Absolutely not, I'm just admitting that I focus my strengths in one area and it did well for me and now, I would love to talk to people that know advertising and then start driving even more traffic to my sites that are already set up to exploit the viral marketing and that whenever traffic comes to it.

So, but just to be brutally honest with you, I don't spend a lot of money on advertising because I've never had the time to... when you start spending money on advertising, you have to track and you have to know your return on investment. You got to say, well, I put an ad in over here and I put an ad in over here but I had to put up a separate tracking code so I can see which ones converting and I'm not a big guy that goes into stats and looking into my Google Analytics and stuff like that. You'll ask me some questions every now and then and I'll know certain metrics and there are other that would blow you away that I don't even track them. That's just part of just massive growth. From growing a business, traveling, speaking at events, hiring employees and just designing projects and building new projects and as you're moving forward so quickly, you don't always have the time to inspect all these little details that we all know we should. I think everybody can agree with that. I think that every one of us knows...

Adrian Bye: You're very aggressive at tracking your stats on the viral sign-ups in making sure that it's really viral, aren't you?

Mike Filsaime: Yes, there's a great book called *Good to Great* by Jim Collins. Jim Collins talks about the three circles within the hedgehog concept: (1) what you can be the very best in the world at; (2) what you're passionate about; and (3) knowing the economic engine that drives your business. He calls it the one core key metric. For me, there's a key metric. My key metric is how many leads am I getting per day and how are those sites monetizing those leads.

So, there are certain things that I track every single day. I get a report of everyone of my sites and see how many sign ups are going on at those sites and how the one time offers are converting. From there there's really very little that I track because I just know that yes, I'm going to get leads, I'm going to put them into my call center. I was talking with Mike Whitman a couple of months ago and I told him I had a call center. He's like, "Do you track the closing ratio of your guys and how many calls they're making per day?" I said, Mike, I got to be honest with you, no. I don't know the first thing right now about tracking because we're just getting started. All I know is that we're making money and then when I get the time I'll tweak it out even better in the call center.

So, my key metric that I test is how many opt-ins are coming in every single day and what's the conversion immediately on that prospect.

Adrian Bye: So, is that then your \$5 million business, are your \$5 million business development with no customer acquisition cost?

Mike Filsaime: That's correct, I don't pay for traffic.

Adrian Bye: Although you are paying for traffic, the affiliates are sending you leads?

Mike Filsaime: Yes. That's a different type of payment; there's pay after performance. So, I'll be happy to play that all day long.

Adrian Bye: The entire \$5 million isn't profit.

Mike Filsaime: Oh, no. Definitely not profit. There's high profit margins because we deal in terms of digital products and our physical products are 20 times the price of production. So, there's a huge profit margin in the growth, but then we pay out probably about 40% of our profits go to affiliates. Much of our one time offers that we do at all these viral sites, we use ClickBank, so the money that I make is all mine because

ClickBank pays the affiliates. So, if I make \$500,000 from one site, if I look at that, there's 100% profit because it really made a million and ClickBank paid \$500 for me. They collect the money upfront and they pay \$500,000 to all my different affiliates and they pay me \$500,000. So, in that case, that goes right into my profit so I don't pay any of that out because it's net by the time it comes to me. But certainly, some of the other sites, I get the gross and then I have to pay 50% out to anybody that made a sale, that kind of same month.

Adrian Bye: So, you wouldn't work with any site unless it's viral marketing, wouldn't you? I mean, that's a critical element for everything you do.

Mike Filsaime: Yes. My thing is automation and when I look at a project, if I can't set the site up, launch it and then never have to go back to the site ever again, I'm pretty much not interested in getting involved in it. I truly believe in automation and a lot of people sometimes say to me, "Mike, how is it that you come out with a new project every single 2 months? Every 2 months you have a new project." Because I've set my sites up to be automated to begin with that I can launch them. The site takes care of itself. The visitors bring me the visitors. It's not easy to do that. When you launch a project, you have to manage it. You have to look at your AdWords campaigns and you have to see "Wow, Jesus, look at this." Why did I just go from \$0.24 a click all the way up to \$1.70 a click, what happened? If I tried to get in that game and go into the site and forget it and I'm using Google AdWords, I'd lose my shirt if Google slapped me one day or whatever the case is or my sites suddenly stopped converting because when you're paying for traffic, that's the game that you get into. You have to be that much more dedicated to tracking your conversions or something that's making you lot of money today, you could lose your shirt the next day, there's a small shift in the way things are working.

Adrian Bye: If you're leaving your sites alone for this long, don't they get stale?

Mike Filsaime: In the Butterfly Marketing manuscript, I spoke about that. That with anything, there's always going to be massive traffic during your launch phase, your infection stage. Then, what you want to do is you want to set your sites up so that your viral exponent or coefficient is at 1.0 or higher and you can move on. Yes, I go to sites that I know were getting me 75 opt-ins 2 years ago and then the next year, they were getting me 60 opt-ins and now they're down to about 35 opt-ins per day.

So, there are different things that I can do. I can say, well, you know what I can do? I can now in these other 10 sites I have, I can put an autoresponder in day 1 for all these sites to advertise, that site over there and then I can boost that site up. I can do a re-launch, I can send an e-mail out to my list and say, "Hey, you may not know I own this site..." and things like that. But like anything else, what I try to do, Adrian, is I try to identify the big rocks in my business. I go around the world, I speak on stage about Internet marketing, I give strategies and then, 2 days later, I talk on a Friday and somebody comes up to me on a Sunday and they say, "Mike, you know, I noticed you mentioned that people should do this, but I went to your site Carbon-Copy-Marketing and you don't even do it at your own site." I say to them, I wish, I was able to do every single thing that I preach and that I know that's right but as we know, there are only so many working hours in a day. But what I tell them is you got to identify the big rocks in your business. I have sites that bring in 750 people per day and then I have a site that makes 1 sale every week and that's Carbon-Copy-Marketing.

So, I'm not going to focus my time and my energy on a site that's doing one sale per day when there's a big rock in front of me that I really want to pick up and get into my bucket. So, that's what I got to focus on. Yes, there are sites that I've launched that are not doing quite as well as they did maybe last year and stuff like that. I could go focus on them and say, how can I get this 35 member per day sign up, up to 50 or 75 or back up to 85 sign ups per day or I can say, hey, if I start tweaking and put in some time and effort into the call center, we

could start going from 2 to 3 sales per day at \$14,097, to 6 or 7 sales. What is it that I can do that could instantly double conversion in my call center.

So, I try to focus on the biggest areas for improvement.

Adrian Bye: Fair enough. So, to kind of to dig back into your business a bit more, you have these viral sites acting as lead generation, then making front end sales for you and paying out affiliate commission. So, then building your list which cross promote the various sites and then into some of your backend training programs like your Butterfly Marketing and some of your other stuff. The more expensive sales are then driven through a call center. Does that sound accurate?



Mike Filsaime: Yes, that's exactly it. So, what we started realizing was that because we built such a good brand in Internet marketing, what we realize is that we have products and we have offers that we can create some of the best offers to biz op Internet marketing community, probably greater than anybody. I don't think that there's anybody in Internet marketing that has the amount of content that we have. We had a coaching program that people paid \$1,500 down and \$497 a month. I personally get on the phone every

Wednesday night at 5:00 PM and I put a PowerPoint slide together and went 90 minutes every single week for a year and a half and we close that this month. So, I have a year and a half worth of content. We have a coaching program at Job Crusher which now, it's more of a newbie coaching program which is \$97 per month. We have 2 home-study courses, we have multiple different types of software to help people learn their business. If you need an online business, we have all the answers for you.

So, I truly believe there's nobody that has any where near the amount of good content, good brand that we have in our business and with a great reputation. So, what we decided is that we can continue to work with our leads that come in and buy my products and offer them backend items but we could truly leverage our call center by going to people that don't understand that there's 10 X profit on the backend and they're jumping for joy because they're making \$180,000 a year selling 2 to 3 e-Books at Clickback.

So, what we are doing is we're approaching these people and we're saying look, what's your backend? They go, "What do you mean, what's a backend?" Well, after your people buy your \$47 product, where are you sending them? They say, "Well, I'm not, I'm just stoked that I used to drive a truck and now I'm making \$150,000 a year online." We say, great. How do you like to turn that \$150,000 a year immediately up to half a

million dollars a year? They're like, "How do I do that?" I say, you give me all your leads and I'm going to process them for you.

So, what we've done is we set up some technology that allows us to give people a snippet of code that they put on their thank you pages that advertises our products and our offers and not only do they get paid on these \$37 sales but as soon as those sales are made, they go into our call center and then from there, we contact the people and we pay them 20% profit on anything that goes through our call center.

Adrian Bye: So, you'll take a guy that's doing \$150,000 a year and you can turn that into \$500,000 a year because just putting it on their thank you site?

Mike Filsaime: Yes, we could turn on average, a \$47 sale can easily be worth \$150 to \$200 for them. It's a targeted offer. We have a couple of people that we're doing this with that had so much success with our backend on our call center that they're going out and simply creating new products and giving away 75% commission at ClickBank and just creating a front end offer because they want to turn their leads over to us because they're happy to make money on the backend with us. So, that's where we're focused right now.

Adrian Bye: One of the things that I've noticed with this space is there are a lot of people that make a very little amount of noise like they can't really drive any volume. I mean, are you able to find enough people that can actually drive volume like and how do you find those guys or is it just the case of your aggregating the long tail. So, you're getting a lot of these little small guys and then they end up turning it into some decent volume for you.

Mike Filsaime: Yes, that's exactly is. It doesn't have to be that great. There's a guy that we recently did business with, he put the ad on his page and he made 30 sales for a \$37 product. Now, he and I don't get rich on the \$37 however, those 37 sales worked out to about 4 sales for us. That one of them bought a \$3,000 package and then the rest bought our \$1,500 package. So, it's closed to \$10,000 in sales that we make just from 1 person and they make \$2,000 in profit for themselves. It's like one of these things, you're not going to get rich in the long tail with these people but it's the type of thing that you pick up 2, 3, 4 of these a month and then over a year or so you start realizing you're making \$3,000 with this one, \$9,000 with this one, \$4,000 with this one, \$11,000 with this one, \$15,000 with this one and at the end of the year you're seeing that portfolio going from a \$100,000 a month and on just using that long tail.

But there are some really big players out there. In my industry in Internet marketing, there's 2 to 3 product launches every single week and because I have one of the largest list in Internet marketing, arguably I'm one of the top 2 or 3 super affiliates that are out there. If you get me on to your campaign for your product, I'm going to win the Rolex watch. Recently, I just won a Hummer. I won a brand new Hummer because I was the number one affiliate. I've got a flat screen.

Adrian Bye: A Hummer.

Mike Filsaime: Yes, a one year lease on a Hummer from Russell Brunson's contest. I have a Rolex, I've got a flat screen TV, I'm being flown to Hawaii. Some of them I can't even take because I don't have the time to travel. But I can't get on everybody's contest, but what ends up happening as people starts seeing that "Hey, Mike Filsaime keeps winning these contest, when I launch my product, I want to get Mike to promote it because when sends out an e-mail, he shakes the word for us in this part of the community." So, what happens is I can't say yes to everybody.

So, what I started doing is I started saying, "I tell you what, if I e-mail for you, I don't want you to e-mail back for me because that's not what I'm looking for, I'm not looking for a one shot deal." I say, "I'll tell you what, I get on board in your promotion but I want an exclusive ad on your thank you page." They say, "What do you mean?" "I want to advertise right under where you say downloads your e-Book. I want to put my ads for my products. I'm going to pay you for any sales that get made for my products all the way through to my call center. But I want to be the exclusive guy for at least a month." Then I tell them, "You got to keep my ad on there for at least 6 months or I can't get on board for your affiliate promotion." I'm not even squeezing them because the benefit is that for every \$97 or \$47 sale that they're getting, I'm going to make some sales for them on the back and they're only going to make more money. So, it's a win-win. They get me to promote for them and then, I'm going to make them money by upselling their customers because they don't have any backend strategy at all.

So, that's become my focus is that since, Adrian, I have so many people that are always reaching out to me and saying, "Hey, I have a new product coming out. It's this, it's that. Can you promote for me." We have Joe Jablonski in my office he's my affiliate relation's manager. I just forward the e-mails to him, I get them into coordination and then we set up a promotion where I'll do a promotion for them and then they put my ads on their thank you pages. That's an entire department in our company.

Adrian Bye: How does this work in practice? I mean, I'm not on your list, so I don't see what you're doing, I mean, are these guys on your list just getting bombarded with product launch offers all the time. I mean, doesn't the list just...

Mike Filsaime: No, if you go to MarketingProductReview.com, what we've done is we solved that problem by putting up a review site like Web2.0 community. If anybody wants to bookmark the URL, in fact, anybody that's listening, if they ever wanted me to promote their products for them, I do it for free for JV Partners at MarketingProductReview.com/JV. So, we have a PDF newsletter that goes out every single week to my...I advertise it as 250,000, it's more, it's well over 400,000 active biz op Internet marketing subscribers. So, we have the people download a Word document, create their ad and then e-mail it back to Joe. In fact, later today, Adrian, I'm sending out an e-mail. We do it every Tuesday to my entire database.

So, when my JV partners say, "Hey, Mike, can you promote for me?" On the first level, I say, "Absolutely, here's the deal, I'll promote for you, I'll put you in MarketingProductReview, I will put you a review on the blog." This is no joke. If you take one of those products that are on the blog there, Adrian, and if anybody's listening and wants to see this, don't take one that's right at the top because it might not have got an index. But go back a week or two, take that word for any product like review lead supreme, review lucid SEO, review women of the web, whatever the case is and you search it at Yahoo, we show up number 1, 2 or 3 instantly within like a week for any product we put on the review blog. So, people love that too, we give them great exposure for free. So, we say, "Yes, I'll promote you, I'll feature you at MarketingProductReview and all you have to do is put my ad on your thank you page." People are lining up to do this for us. It's helping us grow our call center.

So, the answer to your question, no, I'm not whoring out my list (excuse the expression) by sending out 17 e-mails a week. I send out one e-mail per week and it doesn't matter if I have to do 6 JVs or 16 JVs that week, they're just going up on the review site.

Adrian Bye: The people that are coming in and that actually does drive a load of traffic for launches.

Mike Filsaime: Oh, yes. We've had great results because one of the other things that that's a condition is that they write the review...well they write the ad that gets reviewed by the members. The members of the site, it's free to review. It's like a blog, you post a comment and say, "Hey, it's a great product" or "I bought it, I wasn't happy with the result." But one of the conditions is that they use my affiliate link and we make affiliate sales for all these products.

Adrian Bye: So, this is a large part of how you're one of the number 1 affiliates?

Mike Filsaime: No. This is a new project we started about 2 months ago or about a month ago actually. What I tell people, I have certain people in my industry that I get together with and I'll say, "Look, I'll get you the Marketing Product Review, I got a lot of things going on, I got my own launches going on, but I'll tell you what, I'll do solo e-mail for you, a direct endorsement just to my list." Then, at least 6 or 7 times a year, I'll get on an entire promotion where I'll say, you know what? I'm going to get behind this for a full week. I'll send out 3 to 4 e-mails over a 5 or 6 days. I'll create videos. I'll put my super affiliate hat on. I'm going to say, "Look out, I'm going for gold here. I'm going to take this number 1 place in this affiliate contest, come hell or high water." I put a bonus and I say, I'm having a \$5,000 workshop if you buy Yanik Silver's \$2,000 home-study course, you get to attend my \$5,000 workshop for free. I create videos where I'm talking to people to promote the products and I really go all out.

From the low level, the guy that maybe I met...I'll give you an e-mail, "Hey, Mike, it's Simon Tang. You met me in Singapore. I've got this new product coming out that shows people how to track their...whatever...with Google and it works with MySpace, etc." In the past I used to say, I'm sorry, I just can't do a JV with everybody that comes knocking on my door. Now, I take that person and remember what you're saying earlier about that long tail, here's a guy that, in the end, he's going to go out, he's going to rattle his own joint venture partner and he's going to launch. Maybe he'll make \$500 or \$700 or \$1,000 the first couple of days and then, he'll go on and continue make little sales here and there. But in the meantime, it's these leads that come through our call center for us.

Adrian Bye: So, that's the guy then that you put him up on your blog, do some of these other little things and he put you up on the thank you page.

Mike Filsaime: That's correct. Yes, the Marketing Product Review, if we can call them D players...No, it's A players, too, because why not get free traffic, but it's basically for the C and D players in the industry that always would love to "Hey, Mike, can you promote for me." It's my way to say yes to them, get some exposure and then get me on their thank you pages.

Adrian Bye: So, how many thank you pages do you have out there today?

Mike Filsaime: We have right now 61 affiliates and what we call the Hyper Java Project at HyperJava.com. It's a technology that manages these ads. The way these ads work is we take a survey of your product price and your target customer and then we design an offer for that customer. Whether or not, we're going to give them free traffic from some of our traffic generation sites up to different home-study products or software products. We design an ad and then, we say, here's the snippet of codes just put it on your thank you page. What's good about the fact that we give them a snippet of code is we can change that price dynamically through an admin panel, if there's a typo we can fix it in the admin channel, we don't have to say, "Oh, can you re-paste this code." We can put up a timer that says "This offer expires in 15 minutes or in 24 hours or in 7 days" and then after the offer expires, it no longer shows the ad. We can split test the ad. We can find out if you've taken the ad off your page because I see how many impressions are coming everyday and if I see 300

impressions, 300 impressions, 300 impressions, 0, 0, 0, I can call you back up and say, "Hey, Simon Tang, what's going on, man? You're supposed to have my ad on your thank you page." Then, they may say, "Oh you know what? We uploaded a new PDF with the new version of the software. My webmaster put the old page up. Mike, I'm sorry. I'll put it back up there." But we have that intelligence to be able to track conversion, see what URL they're putting it on and see how they're converting.

Then, if we see somebody that's not converting well, we'll say, "You know what? We determine this price to be \$77" after they made a \$97 sale for their e-Book. We thought we could go at \$77. We're not converting, not even 1 out of 100 which is crazy because these are buyers. So, we'll then lower the price and then maybe we'll do a split test. We'll just throw a price up at \$47 or \$37 and then we'll see, "Wow, our conversion just went up to 4, 5 or 6% at \$37, let's just leave the price at \$37." But the beautiful thing is we manage all that through our admin panel at Hyper Java without having to constantly go back to these guys and say, "Hey, you're not converting, can you re-paste this new code." We don't have to do that. Once the code is on there, we can do whatever we want on the page as long as they keep the code on.

Adrian Bye: Do you have a sample page we can look at or a thank you page with your ads on it?

Mike Filsaime: Yes, I do. Here's what I'm going to tell you to do, join ListDotCom.com; again another 9-letter domain. ListDotCom.com, join with a fake e-mail address because this site is like an opt-in, everybody gets to e-mail all the members depending on how many referrals they have. We have about 120,000 members in that site. We have a diamond membership, which is a one time offer which allows them to e-mail 5,000 people randomly every 2 days. But just skip all that after you join, if anybody's listening and they want to see how the ad looks. As soon as you log in, you'll see a sample ad that I'm actually testing. It even says it right inside the site, "Hi, this is Mike Filsaime, I'm currently testing out a new software that lets me put ads on thank you pages. I'm testing out a price and an offer right now to see."

So, I'm using it on my own sites to see, to get intelligence to use it on other people's sites because I wanted to go out with metrics and say to people, "Hey, if you have a free site, this ad is going to convert at this percentage." If you have a \$47 product, these ads are going to convert at these percentages.

So, if anybody wants to see a sample of what that ad looks like, I think, I'm giving away 4 products that normally sell at \$97 each. I think, I'm giving away 4 products for like \$57 or \$77. Why? Because they're not a product that just came out a month ago, their products I've had for 1, 1 ½, 2 years which have a great brand, they're leaders in the industry for the software, all the information that they sell. But they're 2 years old, so they don't show quite as strong as they did but it allows me to create a unique offer that still has value.

Adrian Bye: Yes, I wasn't able see...I don't know if I did it right.

Mike Filsaime: Did you join the site? Remember, I said, join with a fake e-mail because otherwise you're going to get tons of e-mail or you can cancel it at any time.

Adrian Bye: Was that okay?

Mike Filsaime: Did you really?

Adrian Bye: No, I'm just kidding. So, I just signed up with...it's asking me for like my PayPal, e-mail and my ClickBank ID. Do I need to go through this as well?

Mike Filsaime: You could leave that blank right now. Again, remember, Adrian, we said we'd make everybody an affiliate, so we need to know how to pay you your commissions and we need your ClickBank ID for when you're promote it. So, I'm just letting you know. So, that's why we collect that in that part of the process, so we know how to pay people. But you can leave that blank and skip it.

Adrian Bye: Okay. Is that pay driving sign up for Pay.com?

Mike Filsaime: No. This doesn't work with Pay.com.

Adrian Bye: I'm now seeing the Diamond Membership details, it says before I continue, is this direct page or do I go to...

Mike Filsaime: Yes. So, hit the end key on your keyboard or page all the way down to the bottom and click "I want to wave goodbye to this offer forever."

Adrian Bye: Okay. Man, that's so terrible. That makes me feel bad, that part. Alright.

Mike Filsaime: Yes, that's forever my friend.

Adrian Bye: So, there's "Successful registration, please take a moment to review a very special offer." Is this the page?

Mike Filsaime: That's a downsell, that is not the page. So, skip that. Then, you'll know when you're in the members area, there'll be a big navigation menu on the left. So, are you in the members there?

Adrian Bye: Now I am.

Mike Filsaime: Alright, you scroll down, you see like there's a checkered offer box with like 4 different products?

Adrian Bye: Yes.

Mike Filsaime: Okay. You know what? If you give me like a tenth of a second, let me just log in, don't close that page. Let me log in and I want to show you something. What is the price say for that right there?

Adrian Bye: I get all for \$57.

Mike Filsaime: For \$57? Okay, I'm logging in, let me see here. I'm going to edit for \$57, right.

Adrian Bye: Yes.

Mike Filsaime: Alright. Hit refresh. Let me just hit my save button. Alright now, hit F5 or refresh the page. Tell me what the price says. \$47 right?

Adrian Bye: Yes.

Mike Filsaime: You notice that it even change the price in the text, above the PayPal button and it adjust the price. If you click and you check out the PayPal, it will also say \$47. So, I'm going to change it back to \$57 because that's currently what we're testing.

So, you see that I can change that from my admin panel at any time without having...yes.

Adrian Bye: It could be on someone else's site it would be just as easy.

Mike Filsaime: Exactly, yes. I didn't do that at List.com, I did that from the Hyper Java admin panel. So, that could have been on your thank you page and I could have changed the price, I could help you increase conversions without having to bug you and say, "Hey, Adrian, I don't think we're selling well. I sent you a new code in an e-mail..." You don't need to be bothered, you're running your business. You want to move on, paste it once and decided to forget it.

Adrian Bye: That's for the checkout, so the checkout is through Paypal.

Mike Filsaime: Correct.

Adrian Bye: Do they just hit a button to pay again or do they have to go and actually do the whole payment process again?

Mike Filsaime: They have to go through the whole payment process again.

Adrian Bye: Is there a reason why you're not integrating that?

Mike Filsaime: I can't integrate somebody else's data. Like if they just paid you to your merchant account, I can't get that data and just one click submit into my merchant account. So, we do need to make them pay again.

Adrian Bye: I think people are actually doing that.

Mike Filsaime: With integration through separate merchant accounts?

Adrian Bye: Yes, I think they just passed the credit card details across both. I don't know the actual specifics for that but I'm pretty sure that it is being done.

Mike Filsaime: That will certainly make things easier for us. We don't currently have that technology.

Adrian Bye: Yes, I don't know. I mean, because obviously, credit card numbers are pretty serious and they don't like them to be just handed around but there is some way that some guys are doing that. I'm pretty sure. Actually, I'm very sure. We can talk about that later.

Mike Filsaime: Sure, interesting.

Adrian Bye: Anything else then that you want to talk about here, now we've covered lot a of stuff and we're probably a little bit over time but is there anything else that you want to add in?

Mike Filsaime: No. Basically, that's the scope of our business, Adrian, is we concentrate on going very, very wide by capturing the leads like an octopus from free sources and then upselling those leads somehow and then, going all the way through upsells as you saw this, major upsells and downsells along the way. Then, from there, there's follow up, you'll be getting e-mails to how to use the system, how to upgrade and things like that. Then, from there, they get calls into our call center, but we're only one channel. Then, we realize later that, hey, we've developed enough content over the years that we can actually help other people monetize their sites and really grow out our call center through there as well.

That's become the scope of my business. I spent 2 years traveling around the world, speaking at seminars, teaching Internet marketing and bringing people into our coaching program. But that was exhausting, so I no longer travel. I stay here at the office and I continue to grow the office. We closed our coaching program and I've used the content from my coaching program to create another product. Right now, we have me and 12 others here at my office in Long Island, we have 4 people out our virtual help desk and we have 11 people in Romania that do our programming and stuff like that. So, we're just under 30 people in our company and the last 18 months is a rapid growth phase for us, especially with hiring employees and branching out in multiple projects.

Adrian Bye: So, you're growing like a weed.

Mike Filsaime: Yes.

Adrian Bye: Congratulations, that's a good way to be growing.

Mike Filsaime: Oh, thank you.

Adrian Bye: Alright. Was there anything else you want to add on to that or should we wrap it up.

Mike Filsaime: No, that covers it. Yes, that's me in an hour.

Adrian Bye: Cool. Well, Mike, thanks very much for your time. It was a good call.

Mike Filsaime: Thank you very much, Adrian. I appreciate it. Thanks for having me.