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Interview with Jeff Walker from Product Launch Formula



Adrian Bye: Today, I'm talking with my friend, Jeff Walker. I've known Jeff for it seems like about 20,000 years. I guess in the internet time it's been that long but I guess I've known you since maybe 2003, 2004 or something like that.

Jeff Walker: Yes.

Adrian Bye: Jeff is the brains behind something that's been very successful in the information marketing community which is something called a product launch and a lot of you guys need to learn about this stuff so we've got Jeff here to talk about it.

Jeff, why don't you tell us a little bit about you, who you are and what you do?

Jeff Walker: It's been an amazing ride for me for the last 10 years. I started selling information online in 1996, primarily about the stock market. I sell them to day traders and to investors, really came at it from having a passion about the stock market and gradually realised I'd never sold a thing in my life before. I had a business degree but

had no real knowledge of marketing.

Adrian Bye: Business degree from where, I might ask?

Jeff Walker: Michigan State University.

Adrian Bye: Yes, it's a very good college. I went there as well.

Jeff Walker: Yes, but I had no selling experience, no real marketing experience – never even run a business. But it turned out I had some decent content and I was really good at selling online. I started way back selling information. It was late '96, early '97 and I gradually started to figure a few things out about selling. Back then, accepting credit cards securely was nearly rocket science. I totally bootstrapped everything. I built this out of my basement. Then I stumbled onto something that we now call the product launch, I call the Product Launch Formula where I would release new products or I would re-release current products and the results I started to get were breathtaking. Typically again, I'm running a small business. I've got essentially a couple of people working for me. We primarily worked out of a home office. I started to see results where in a week I would make the sales that I would typically make in a year. My first product launch was \$1,400. That rocked

my world. It seemed amazing. Then I did it a few more times and I did one that was \$28,000. Then I did another one that was \$106,000. It was true profit because I built up a list and literally the only expense I had was merchant fees. This is information product, digital delivery – no marketing cost. I sent a few e-mails. I built up this formula for releasing products gradually. Adrian, we did meet. It was in 2003 when I first talked about this in public. Then I started taking out some clients, started teaching it to some other people in the information marketing space and all of a sudden...back then six figures in seven days seemed like a big deal...that was when I did the \$106,000. Then it was \$1 million in a day. Now it's \$1 million in an hour we're typically seeing. I shouldn't say typically but we've seen multiple times. I did that just a few months ago when I released a product. \$1 million in an hour, we did and just over a day we did almost \$4 million – we did \$3,730,000. Again, they don't have to be information products. People have used this stuff with nearly any type of product or service you can mention or you could imagine – nearly every type of niche or market you could imagine, it's worked in. But the great depth of experience that I have is in information marketing.

I know you have some people with huge, huge businesses on this list so maybe \$3.73 million in a day doesn't sound that impressive but again we're talking about very small operations and nearly 100 percent profit.

Adrian Bye: No, it sounds miniscule and irrelevant so the people will be looking at this and saying, "This is a waste of time." It's not because this is a very scalable concept and it can be applied in a lot of other markets. To prove a point is the way Apple brings out its products. They're using very similar sorts of techniques. The way Microsoft launches things like the Xbox – it's the same stuff.

Jeff Walker: Yes. Adrian, I don't know if you know this but for our listeners, readers – I do have a course that teaches this and Apple is very aware of that. They hired someone to help with their launches that is very, very familiar with my work and has studied with me personally. Obviously, Apple knows what they're doing but they're studying my stuff as well.

Adrian Bye: Yes and I've watched these.

Why don't you talk about some of the list sizes that you're working with and the sorts of results that you're seeing? Talk about your list size – how many people?

Jeff Walker: That list – often it's a hybrid. If I do a launch and I'm just doing what I'll call an internal launch which is just a launch to my house list, I'm looking for a minimum of \$50 in revenue per e-mail address on the list and I've achieved close to \$150 in some launches. Now, this is with small lists. This is with 10,000.

Adrian Bye: That is \$50 per name. This is not \$50 per click and it's not the price. This is \$50 per name on the list.

Jeff Walker: Right.

Adrian Bye: We have guys that are mailing to lists that are millions in size and they're doing \$1 CPM across the entire list. You're talking about \$50 in revenue per name.

Jeff Walker: Right.

Adrian Bye: I don't know what that is in CPM but it's very high.



Jeff Walker: It's crazy high but caveat I'm doing it with small lists of about 10,000, 50,000, 100,000. If I had a list of 50 million, I wouldn't expect to pull \$50 per on that. But I bet you we could take whatever their best promotion is and triple it. This stuff is sick how it works. It's just crazy.

For that one that I did a few months ago, I did \$3,730,000 – that one, we had a list of about 45,000 but that wasn't an internal launch. That was a full out external launch where we used our house list but we also went out to joint venture partners and they were mailing. That one – it's impossible to calculate exactly on a per name basis because we don't know how many our partners are mailing and the metrics get a little messy. But for the internal list, yes, I'm looking for \$50. Actually if I'm under \$50, I'll be pretty upset with myself. \$100 is that benchmark I'm looking to hit and like I've said, I've gotten near \$150 per name.

Adrian Bye: The typical list size are only a few hundred names in some cases, right, up to a few thousand?

Jeff Walker: No, I've done some launches with lists of 1,000 or 2,000 but typically we're working with a list of anywhere from 10,000 to 100,000 to get those kind of metrics.

Adrian Bye: How does it work from start to finish? Let's say you're helping out a launch. What happens?

Jeff Walker: The key thing is we're always looking to turn our marketing into an event and we're always looking to create conversation with our market, with our prospect. So it's a sequence deal where it starts off with a very... I don't even want to say soft pitch because from the very beginning, you're just letting your market know that something's coming and often the way I'll do it is with a survey or the question. I'll write to my audience and say, "We've got this product. We're just about to release it. We just want to make sure we got everything covered. Could you just tell us what's the most important feature or what's the most important thing you want to know?" So we'll engage them in that way and start a conversation with either a survey or just a simple e-mail asking for a response because the reality is in direct mail... I mean this as pure direct marketing. If we look back at direct mail, there's often been a three-letter sequence that's been taught for eons where you send a letter and then to whoever hasn't bought, you follow up with another letter, "Why haven't you bought?" and another letter, "Just frankly, I'm puzzled. I noticed you still haven't taken advantage of that." The problem with that is it costs money, there's no interaction and it's slow. If you put together a sequence that is e-mail-driven, that's blog-driven, that's Twitter-driven and you put together a sequence where the first piece – you're asking for that feedback. Now you've opened up the conversation so basically what you're trying to do is you're trying to get them excited. Let them know something's coming without them going into the full out... When people hit a sales page – you get into a sales process, their defensive mechanisms or BS detector immediately goes on full-out red alert. The way we're doing it here is we're just gradually working them into the process by starting with that survey and then often coming back with some good content around your offer, educating them. So what we're doing is we're gradually taking them into the sales process without turning on all their defensive mechanisms. Typically, we'll come out. For a launch, it will often be three or four weeks in advance. We'll do that initial either survey or just ask them for feedback – send them to a blogpost where we're asking, "What do you want? What are you looking for in this?" Whether it's an information product, whether it's a service or whether it's a hard good – it doesn't matter. We're looking for feedback to get that interaction going. Once they start giving you the feedback, then what they're doing is they'll give you questions. Those questions are really objections. Now your goal, your mission is to answer those objections in the pre-launch process and that's typically done by publishing some either special reports, some videos, some audios, blogposts, PDFs – whatever. Of course, the internet is a communications medium so now what you're doing is you're giving them the special report to educate them. It's not like you're sending them something that says, "This new car is going to be fantastic because of this

kind of engine and this kind of suspension,” or whatever. It’s usually aspirational and it speaks to the underlying want that you’re looking to fulfil. So you’re moving through this pre-launch process and maybe if it’s three weeks long, you start off with an initial survey. You come back with content a few days later. Another week later, you come back with more content and that content in addition to educating them, getting them excited and being aspirational, it’s also answering whatever objections they raised. Basically, you gradually walkthrough. The whole idea is to get them more and more excited, and to make them feel engaged in the conversation. Basically what we’re doing is we’re taking advantage. The three key elements here in using the internet is the speed of communication’s obviously way faster than we’ve ever had with any other type of publishing media and the cost of that communication is negligible, and the interactive component. Typically, we’ll send someone to a blogpost where it’ll be part of this launch and we might get hundreds of responses. Those are gold because then you’ve started a conversation. Other people can see that conversation and it feels like an event. It feels like something’s exciting. Basically what we’re doing is we’re taking the sales process and instead of dropping them into a sales letter or a sales process and saying, “Go buy this stuff,” what we’re doing is we’re taking them through a three or four-week period where we’re gradually doing a soft sell over time, and getting them more and more excited about this. Then typically, we will walk down to launch day and we’ll have some type of a special offer so there might be special pricing, there might be special bonuses, there might be a limited quantity – something that gets them to act right on launch day. Of course leading up to launch day, we’ve educated them on that special offer and why they need to act right away. Then it’s simply a matter of hit and send, and at launch day the sales come pouring in.

Then there’s a whole follow-up process from that launch day. You can do a launch that’s a day long, a week long, two weeks long or whatever but what you end up with is just this huge flow of sales coming in. The beauty of it is the sales are great but often you build up great rapport. If you do this properly, you build up incredible rapport through the process so you end up with extremely happy buyers, which means you end up selling to them again and again and again. Even the prospects that don’t buy tend to be very, very enthusiastic and happy. They’re loving being part of this event that you put together.

Adrian Bye: Are they though? This means I don’t follow your market with internet marketing that closely anymore but my understanding is that it’s gotten so jam-packed full of launches now that people are tired of it. I’ve even seen one guy, Armand Morin, putting out a product that’s \$20 a month because he said that there’re just so many high-price launches out there that don’t deliver value.

Jeff Walker: Armand’s a very, very smart guy and he knows that one of the best ways to sell is with a common enemy. So you create a common enemy and then you can sell away. But the reality is I’ve taught this now to thousands of people and like anything, some people will do it really, really well and some people and some people will do it really poorly. The product now that I’m selling is about internet marketing. It’s an internet marketing product – how to make more money in your business online. It’s a very crowded, crowded market and every single one of my competitors or my colleagues – the other people in the market, every single one of them own my product. So they are all doing launches.

I’ll tell you, Adrian, the dollars this year are like... Let’s take a few years ago. \$1 million in a day was unbelievable, okay?

Adrian Bye: I remember the day John Reese did that and I was stunned.

Jeff Walker: So was I. It was literally like Roger Bannister running the four-minute mile. No one thought it could be done.

Then a few months later, Frank Kern came back and did \$1 million in a couple of days. Within a couple of years, you're starting to see \$1 million launches fairly regularly.

Last year, I helped out someone with a launch. They're new to the market. They had no list. They had no real name recognition. We did \$1.76 million. That shocked people that we'd really come to market with people that were unknown and no list, and do that kind of a launch.

Adrian Bye: Can you hint to say who that was?

Jeff Walker: That Ryan Lee and Tim Kerber with a product teaching people how to create membership sites called Membership Site Boot Camp.

Adrian Bye: Really?

Jeff Walker: Yes, it was a great product and a great launch – \$1.76 million. People were shocked. That was one of the biggest launches ever at that point.

Fast-forward another year and we're in 2008. Now we had \$3 million launches in January, February, March, April and May so the launches have gotten bigger yet some people are grumbling about them. But I'll tell you when I do a launch, my list still gets excited. I end up with an enthused list.

Another thing, I don't want to get too into this internet marketing space because my key message to everyone is that this stuff works no matter what your market or niche and really almost no matter what your product.

Adrian Bye: Maybe you can talk about the Neil Strauss launch.

Jeff Walker: Sure, we can talk about that. Basically, Neil has a product again – an information product and I didn't personally work on this launch. Frank Kern did. I gave Frank a few ideas but I wasn't personally involved in this one. But just basically how to meet women, pick up women type of deal.



Adrian Bye: He's the author of *The Game* which has been on the *New York Times* Bestselling List for a long time.

Jeff Walker: Right. So he put together a product that was a bunch of videos. They price a very high price point and they had a nice scarcity element – they only had so many available. I know they were at \$1 million – I'm pretty sure it was within the first hour. It might have been within the first couple of hours. They completely sold out. They put a hard limit on the number of copies they would sell which I think ended up being around \$1,500,000 and they completely sold out within a few hours. So there was a product. It was not about how to make money. It wasn't anything to do with the make-money component at all. It was just how to pick up women. He used it to a T, walked right through the whole product launch method and it was just breathtakingly successful.

I've got people that if I just started telling you some of the weird little niches that my clients have had great success in – John Gallagher had a board game. He sold a board game about edible and medicinal plants and herbs. It was an educational board game. Another one – carving wooden dolls, massage therapy, business coaching in Poland. This stuff's been done all over the world. It's been done in Europe, South America, Asia, the Middle East.

Adrian Bye: Business coaching in Poland – that worked, did it?.

Jeff Walker: Yes, in fact the woman that did that basically just took my... This is what's amazing – that this stuff is so cookie cutter, you can just literally take it from market to market and drop it into various markets. In my course, I gave a sales letter I had used in my trading business where I had a product about day trading. She took that sales letter, pretty much cut-and-pasted it and used it for her business coaching. Obviously, she had to change the offer and she had to change the product but the whole sales letter was essentially my stock trading sales letter and it worked just great. Business coaching in Poland – no worries.

It's just worked in all kinds of markets, in all kinds of niches with online services, offline services. The reason I think it works...in some ways, maybe I don't know...right now, everyone has got too much media coming at them. If we look at 10 or 15 years ago, we didn't have cell phones, e-mail, instant messaging, text messaging, 500 channels on TV, satellite radio and advertising on your airplane tray when you fold it down. A year and a half ago, we didn't have Twitter. We've got so much more media coming at us but our brains have not expanded their capacity to absorb all that so there's this huge, incredible marketing fog and people are not reading your messages, seeing your messages. At the same time, I think people are fundamentally bored and disconnected. In my opinion, people don't spend much time interacting with other people. They don't spend as much time building relationships with other people. They're sitting in front of their computer, answering e-mails. They're sitting there with their BlackBerry til all hours of the night. So you have this combination of this fog – there's too much media coming at us and at the same time, we're fundamentally bored and we're looking for a connection. So if you put together one of these launches, you end up cutting through the fog by creating a connection, by creating a relationship. Adrian, I know this is hard to believe but you create a relationship and you can do it with thousands of people through this process, by collectively walking through a process that leads up to an event. It's like Christmas or...

Adrian Bye: Christmas is basically a launch anyway, right.

Jeff Walker: Yes, in reality it's got all the elements. It's got the anticipation. It's got the hard deadline. It's got scarcity. It's got all kinds of stuff and it's got this communal...

Adrian Bye: It's exciting.

Jeff Walker: Yes and it's got this communal feel where just going through something where you have a large group of people all going through something where they're going through the same thing at the same time just inherently creates excitement.

I just did this mountain bike race. I think you know I live out in Colorado. I do all these crazy things – mountain biking, white-water rafting, skiing – all kinds of crazy stuff. So I did a mountain bike race and it was great because I did it with my kids. I've got a couple of teenagers and they're blazing fast on their bikes. So we did it as a team. But there was this 24 Hours of Moab Race and basically it's a relay race where in Moab, Utah. You're out in the wild desert. The race starts at noon on Saturday and goes until noon on Sunday. The team that does the most laps wins. So we had a six-person team and you're riding for 24 hours straight, taking turns. But I'll tell you as the countdown to the start of that race at noon on Saturday for the two or three hours, we're out in the middle of nowhere in the desert but there's 5,000 people there. There're 1,000 racers and another 3,000 or 4,000 support people so there's thousands of people and we're all going through the countdown to the start. Okay now, there's 60 minutes – make sure your team's registered, go pick up your baton and your timing card. Okay, we've got 30 minutes to go – giving the final instructions, getting people lined up and getting bikes ready. The excitement in the air – you could just feel it. It was just electric, just absolute electricity, and it was because we were all there doing something we were excited about and we were all going through this countdown together. Then, bingo, the race starts. For the next 24 hours, everyone's going through the same type of thing. All of a sudden it's starting to get dark and it's starting to get cold. The next morning, the sun's coming up and then the countdown to the end of the race. The excitement – it's just amazing. I was just looking around this as a marketer and saying, "We've got 4,000 people camped out in the middle of the desert and we're all going through the exact same steps. It's all preordained. The level of excitement is just insane."

The launch works that way. Christmas works that way. Anything where you walk a group of people through something, it becomes ritualistic and it just triggers something deep in our psyche. It's just crazy.

Adrian Bye: Let me ask you. You say it will work on any market. Something that I want to get to is doing some sort of fundraising, giving back through MeetInnovators because we've obviously got a pretty influential community and if we put a little bit of effort into it, I think we could raise quite a bit of money. How would a launch apply to my list? How would we do that, given that everybody's busy, people don't want to hear from me all the time, guys can even get pissed off. How would you handle a situation like that?

Jeff Walker: One of the keys that I'll do is if you have a list and you're going to go through a launch that the people on your list did not sign up to be part of a fundraising or charitable type of thing, it's tangentially related. In that case, I would start a sub-list. I would create a second list, and make people raise their hands, say if they are interested in this thing and then go join that list. That's just a no-brainer. That way, you're not going to torque them off and if they do get mad, they can un-sub from that list. They're still on your main list. For this thing, it will absolutely work for non-profits and it has worked for non-profits really well. I need to actually think a little bit about this because the launches I've seen with non-profits is where the actual organisation did the launch. They came out with some new fundraiser. They got people excited about it. They put together an event around it – maybe a bonus, an awards event or whatever. It got people really excited and got them to jump. That's worked well.

Adrian Bye: Everybody on my list wants deals without an exception. They're starting to see the volume of deals and people paying a lot of attention now. So we could tie it to some sort of deal stuff.

Jeff Walker: Absolutely.

Adrian Bye: I don't know. What would have to happen to raise \$1 million out of my list for some fundraising thing? Do you think that is even possible?

Jeff Walker: I don't know. I don't know your list but I would think certainly there's always going to be the what's-in-it-for-them method. If you put together an attractive what's-in-it-for-them then it's just the typical sales process just like anything else.



If they raise so much money or if they donate so much money, yes, somehow they get a greater access to deal flow or they get a listing on your website. In that case, I'd try to bring competition into it. If you can get people competing with each other then that can be really powerful. I would think that people on your list, primarily CEOs or people running companies – if there's ever been a competitive demographic, that's exactly it.

Adrian Bye: My guys, yes. If you can get them engaged on something like that, they'd really fight it out.

Jeff Walker: Right.

Adrian Bye: I can see that. That thing is something where people want to demonstrate that they are as successful as they say they are and maybe this is a way to demonstrate it.

Jeff Walker: Totally. That's something we see flashing back to the internet marketing space. Actually, this has worked at several different spaces. Often, you'll be going out and you'll be getting people to promote for you on a joint venture basis. So they're sending people into your launch and then you're tracking the sale back to them. If you make the sale then they get paid.

Right now, there're so many opportunities for people to promote various launches that the real competition...I'll tell you what, Adrian...once you get someone involved and you get them on your list, the selling is the easy part. This stuff is so powerful that it's just like clockwork. The selling is the easy part. The tough part is getting those partners to promote because they have so many different choices. So the first

thing you do is you put together a launch to get your partners excited. The first launch is to your JV partners to get them excited, get them onboard and get them to mail for you. This is the advanced level stuff. The stuff behind the curtain that nobody gets to see is the launch going on to your partners and a key component to that is generally competition. What I'll often do and my clients and friends people – they will put together a joint venture contest so the person that sells the most stuff gets a big screen TV, gets tickets to the Super Bowl or whatever. The reality is that most of the people that are promoting for you are so successful already that getting a \$2000 TV just really isn't going to change their day one way or the other.

Adrian Bye: Right.

Jeff Walker: However, the standings for those joint venture contests will get published to all the other joint venture partners and the competition is what really drives this contest. They don't care whether they get the Mac Pro or the big screen TV but they sure as hell care about being number one in that contest because that carries serious bragging rights the next time they see each other at a conference.

Adrian Bye: That really does drive them, does it?

Jeff Walker: Yes, it does. Again, there's an art to it. If you do it well, you will get people lathered up. Often, there's a big element of giving each other a hard time. A lot of these guys will know each other and they'll like to tease each other. If you can put together entertaining e-mails that are teasing each other and maybe giving people silly nicknames – whatever, that kind of stuff actually works because it humanises the entire process. It humanises it and it humorises it. It actually does work.

Adrian Bye: Okay, you say it applies to any market and all this kind of stuff. Back again to my list as an example. My list size is miniscule – 600 people. The sub-list idea makes a lot of sense but if we do the sub-list then it might only be 30 or 40 people on it. In that scenario, mine is based around personal relationships that are quite strong so I'm wondering whether instead of even doing things like e-mail, it might be best done by phone or things like that. How would a launch apply in that scenario?

Jeff Walker: That's a good question. I personally haven't done it where I've been calling people up. Maybe on that joint venture part of it, there'll be additional strategic calls to certain people. But I do know someone. One of my clients did a launch and he was selling real high-end CRM software. He's selling it to Fortune 500. I don't know. Maybe you might know what CRM software goes for but I think it was a \$100,000, \$200,000, \$300,000 sale. It was pretty big sales. You might wonder how does someone do a launch for that. Really, what he did is he used all the principles but he was using it just to get in the door. It wasn't like he was using the launch principles to make the sale. It was just so he could get in the door so he could make the presentation. He did that with personalised direct mail because obviously he's not going after hundreds of clients or even tens of clients at a time, so he used direct mail to get in the door. I don't know exactly. I just know he told me what he did, not the exact specifics of how he did it but he was even using it to get by the gatekeeper, get those letters on the right desk, get them read and get the phones answered.

Adrian Bye: That was a successful launch into Fortune 500?

Jeff Walker: Yes, but again, it was selling onesies, twosies. It was going into GE or Cisco and selling them. It was \$200,000....

Adrian Bye: How would he be putting any kind of scarcity in that kind of environment?

Jeff Walker: I don't know how he did that. But you don't absolutely need scarcity. We haven't even talked about... There're lots of mental triggers that are built into this and really what this process is about in addition to that conversation and the sequencing – it's about using a lot of the standard influence triggers – the mental triggers that have worked and will continue to work. Scarcity is one of them. Social proof is another one of them. Commitment, consistency, community – there's probably about 10 of them that we hit. You don't have to always hit all of them. You don't absolutely need scarcity.

Adrian Bye: You have a list that you run through and you make sure you hit as many as you can per launch, do you?

Jeff Walker: Yes, I do. Scarcity is a big one. Social proof goes hand in hand. Certainly, social proof would work in that scenario where you're trying. Often, it'll be like our team's ready to install one of these packages. We have an opening to help install one of these packages in the next three months. We'd love it to be you but I have to let you know, it might help with your planning that we are talking to Cisco and Cisco might take that slot three months out from now. You could do something like that. That's a combined social proof and scarcity. The social proof is we're talking to Cisco and they're real interested. The scarcity is that slot. I don't know how it works. I have no idea how CRM software works so maybe that doesn't make sense. But you can on a very, very small scale even if you're working with a very limited list – very limited clients, you can still use those triggers. Basically, the sequence is where you deploy those triggers.

Adrian Bye: What do you say to people who say it's a scam?

Jeff Walker: You mean the people that you're trying to sell to or if I'm trying to convince people to do a launch that thinks it's a scam?

Adrian Bye: Right.

Jeff Walker: There're plenty of people that think it's a bunch of charlatans – whatever. All I know is that my clients and students have done well over \$100 million in launches in the last couple of years. It's worked for all kinds of things. It's basic human influence. Every one of us is trying to influence people as we go through the day. This is just a technique to amplify that influence. Really what it is.

If you had to sell someone something – If is said, "On pain of death, you have to go sell this person this product, Adrian – you have 24 hours to do it," you would probably drive over to their house, sit in front of them and try to make the sale that way. If you have to make a sale, generally the best way to do it is in a face-to-face environment because then you can read all the cues coming off of someone. You can see if they're interested, if their eyes are rolling or whatever. It's more effective to sell face-to-face than say via magazine advertisement, direct mail or even telemarketing. If that one-to-one sale is the most effective way, the only problem is it doesn't scale. You can't make tons and tons of sales sitting in front of someone.

What we've done with Product Launch Formula – the way we do it is we've taken the best of both worlds. You get the scale you can get by publishing but with the interaction that you build up through these, even if it's not one-on-one interaction but it's interaction with the entire market, you get a lot of the benefits that you would get from that face-to-face selling. Now the market starts to guide you what triggers you need to hit, what you need to say next, how they want to be sold so it's very, very effective.

I don't know. If people think it's a scam then I invite them to move along. I don't really care because I've got so many people that want to do this stuff and do realise just how effective it is. I don't care.

Adrian Bye: Fair enough. What are some of the biggest launches that have happened in the internet marketing world exercise...what is your biggest so far?

Jeff Walker: There're two answers to that one. StomperNet did a launch where they put, I think, about 1,500 or 1,600 people into a program that cost \$800 a month. So if you do that math on that, what is it, \$1.2 million or something like that...I don't have a calculator in front of me...per month. I don't know if they've ever released their stick rate but they had a pretty good stick rate. How do you calculate what their launch did? I don't know but they built a business that was doing over \$1 million a month and since then in the last couple of years, I think their business has done at least \$30 million in sales. I think that's probably the biggest launch. It wasn't the biggest launch in terms of the sales that came in at launch day but long-term, you'd have to classify it as the biggest. After that was actually when I rolled out my Product Launch Formula course in late March this year. I did \$3.73 million in about 34 hours and then after that Frank Kern's Mass Control did about \$3,500,000. Rich Schefren had a launch that did about \$3,500,000.

Adrian Bye: Is that all profits?

Jeff Walker: I can talk about my numbers because I know my numbers. Going through the math might be interesting to people. Right off the top, my launch, to make the math easy, instead of \$3,730,000, let's just say \$4 million. It was driven by joint venture partners. I paid 50% commissions so most of my sales – about 90% of my sales were driven by joint venture partners that I paid 50%. I did pull out a calculator here. Round it off to a \$4 million launch and 90% of that came from partners. \$3,600,000 came from partners so I paid out \$1,800,000 in affiliate commissions. So that was my biggest expense. After that, I had a little bit of labour because at this point, running that kind of a launch, we had to bring in a little bit more muscle – a little bit more customer service. I probably spent... Let's round it off to \$100,000 in labour. Then of course, you have merchant fees which takes about 2.5% right off the top. That's your primary expenses right there. It was a digitally delivered product so a few thousand dollars in bandwidth fees. It's hosted on a single dedicated machine at Rackspace so the server cost \$5,000 which is negligible. I had affiliate contests so I probably spent \$20,000, \$30,000 or \$40,000 on affiliate prizes. So the bottom-line is you come out of that with a significant chunk. The primary expense in a joint venture launch is what you're paying out to your joint venture partners. But again, that's based on performance. You're not spending a fortune on advertising upfront. I'm paying that out 45 days after the launch to my partners.

Adrian Bye: You were left with what – \$1 million, \$1,500,000.

Jeff Walker: Yes, let's say \$1,500,000 or so – between \$1,500,000 and \$2 million.

Adrian Bye: How many years ago did you do that?

Jeff Walker: That was actually early this year.

Adrian Bye: That was this year. Can you do another launch this year for your same stuff?

Jeff Walker: Yes.

Adrian Bye: Will you not work the rest of the year? What do you do?

Jeff Walker: No. Typically, what I did in this case was I taught an online class that took place for five weeks after the launch. It's been off the market since we did it as an online class. I'm going to be releasing it in another week or so and I'm sure I'll sell more than \$1 million worth of stuff again. So you can do multiple launches.

In the past when I released a product, I just left it on the market and continued to make sales. Then maybe you put together a special offer, a special bonus package, a special pricing, special financing, and you can come back and do a relaunch based on that. This case, I was on the market for 34 hours. I pulled off the market because I was leading people through an online class. I didn't want to continue to sell it but now I'll reopen it. I'll probably open it a couple of times a year.

One of the great things this does is it gives you instant momentum. It gives you instant recognition. It gives you instant market share. It gives you instant status. Also, it scares off potential competition. So if you come in the market and you make this huge splash, often it will scare imitators away. It's a way to capture a market. It doesn't work every time.

Adrian Bye: One of the things I heard you say at Evan's event is you talked about that it cleans out all the search engine rankings as well. Hopefully, it will clear all the negative stuff.

Jeff Walker: Yes, that will work if you're using joint-venture partners. If you're doing an internal launch, it won't always work. But yes, if you went and did a search on my name or my product, most of the top results are going to be blogposts that my partners put together. People were so hungry to promote for me. If you say no... They knew the launch was going to work because I'm really good at this stuff. They heard rumours that I was going to release this product and they started blogging about it even just based on the rumours. I don't know. There's probably a couple of hundred blogposts about me and my product, and they're all no duplicate content. They're all individual posts written by individual people. They're not the greatest, most influential blogs out there but they're still pulling rankings and they're all very favourable mentioned because these people are trying to sell my product. The long-term potential is I've generated hundreds of links into my site, I ended up with a real nice ranking and you have great visibility. You have instant groove status, is what we talk about.

Adrian Bye: Yes, there are companies that have issues with that and so that solves a couple of problems in one go.

Jeff Walker: Yes.

Adrian Bye: What else should we talk about around launches? Anything else you'd like to tell us?

Jeff Walker: I think one of the things you sort of touched on a little bit – when people look at this stuff, a lot of times people hear these numbers and they just go into disbelief because again for a lot of the people that are listening, they're numbers are huge but we're talking about insane profit margins being put together by small businesses that are just doing huge sales. They hear about this and they think it's all hype as you mentioned or you're putting on a bunch of hype and you're bankrupting your future – your product launch is a bunch of hype and you're going to torque off your market, your niche, your list, your competitors, your partners. The reality is the internet's a fantastic communication medium and all you're doing is you're using that communication medium to communicate, create that relationship and to form hopefully even a community but definitely a relationship. You don't end up torquing people off. You end up with a really powerful business, a really powerful list and really happy customers. I guess I've already mentioned it but it

bears repeating. This isn't just a matter of sending a bunch of e-mail. It's a matter of being interactive, walking people through this process and getting them excited.

Adrian Bye: ...and this should scale. Yes, you say the numbers are big, relative to internet marketing market. Why don't I ask, so how would you help Zappos do a launch?

Jeff Walker: It's sort of funny because I never really focused on e-commerce too much but then there's a lot of interest so I sat down. One thing I try not to do is teach stuff I don't know but I did my best to come up with some plans for e-commerce and actually just did a case study with someone whose company was selling marching band accessories. He put together a launch, selling these marching gloves, uniforms, pads for holding your tubas and stuff like that. It's a very seasonable market. I don't know what the season is but I guess right before the beginning of the school year is when band directors buy stuff for their band. It's probably like spring is the worst time in the world because they're done for the year. So he put together a product launch for this worst time ever and just crushed it. Again, it was more like a \$ 10,000 or \$20,000 launch for a business that didn't expect to make more than a few hundred dollars in sales that month or something like that. For Zappos, what I would be looking to do.. to me, it would be more about engaging people and getting them more excited about coming back to your site. If you did a weekly, biweekly or monthly launch around a product – it could be a pair of shoes that are about to come out and they're really excited about it. It really is something innovative. You probably put something on your website about this thing coming. You probably sent out a single e-mail to your list about this thing coming and you're really excited. You're probably only going to get a limited number of pairs in initially because the thing's going to brand-new. So if they want to be notified, they're expecting it to come in on...whatever...December 7th but if you want to be notified exactly about any shipping changes about when it's going to hit, if you want to know more about this product – go join this list. So, I'd probably create a sub-list around each one and then walk through the process, educating them about the shoe. I would probably make it scarcity-based because if they had 5,000 people to send in the site to all buy shoes on a single day for a new product, I don't know what kind of numbers they do. I know they're huge but at some level, I'm sure they would have some scarcity with the product's first released. Then I would do something like that either weekly, every two weeks or every month with the idea being that maybe it drives some sales but what it really does is starts to engage people in the conversation and starts to bring them back to the site. The e-commerce launches I've seen that have worked well have generally been like that. They've either been product-based, on a new product or a new offer, or they could combine. You could combine several products into a package. It's either been based around that or based around holidays, birthdays, the founder's birthday – something like that, some type of calendar-based event.

Adrian Bye: It makes perfect sense. I'm impressed. That's something that a company like Zappos could do, or Best Buy or all these others.

Jeff Walker: Totally.

Adrian Bye: I guess maybe Best Buy does do this stuff when they have new products coming out, don't they? Maybe not by email.

Jeff Walker: Yes, it may be a natural for Best Buy but certainly there's a scarcity. Again, I have no idea on shoes and how they...

Adrian Bye: But it could work with shoes because you could have a special set of designer shoes. You might be a buyer that's already bought a bunch of Nike shoes and Nike might be coming out with a high-end, exclusive, limited-edition of shoes which I think they do. So you could just do a launch around those.

Jeff Walker: Right. Another thing – I love information marketing. I love selling information because the margins are so insane and it's so easy for your product. But what the guy with the band accessories did... We talked about this. We actually planned for the next one in the case study. If you add an information product component like Zappos say Nike was coming out with something and it was a new shoe that Tiger Woods endorsed, if part of the launch was there's going to be a 60-minute teleseminar with Tiger Woods if you bought it on the first day, they got a photo of Tiger Woods or something along that line, then all of a sudden with almost no additional cost, you've created this package. Then you've got your scarcity and you've turned it into an event. It's not everyday that you get on the phone with Tiger Woods. Obviously that'd be a homerun to be able to put together something like that but at a lower level, you can certainly put together a special report on Tiger Woods' putting secrets and of course tie them to the shoes. Buy these shoes in the first week and get this special report that gives you Tiger's putting skills or whatever. It's very easy to add in an information component into an e-commerce type of sale.

Adrian Bye: Okay, anything that we haven't talked about that we should?

Jeff Walker: Well, I'm sure I'm going to remember four different things as soon as I get off the phone but not that I can think of.

I just encourage people. It's amazing how creative people have been since I started teaching this stuff. What we're talking about are mental triggers that work and they're going to continue to work until basic human psyche changes.

If you're an ambulance-chaser like you're a lawyer and your clients are people that literally just got into an accident, product launch probably isn't going to work for them because the timing component isn't in place. But outside of something like that, putting together one of these launches – the number one thing I guess is you're going to be shocked at what it does for your business beyond just the initial sales. The interaction, the community, the getting people involved, the getting people excited, the positioning, the market share you can grab for one of these – often it will go way beyond the dollar sales. So I encourage anyone to just think about this sort of stuff we've talked about and think about how you can bring it into your business. You don't have to do the full out product launch the way I do them because if you only add in 10%, 20% or 30% of these components in your business, results can be shocking.

Adrian Bye: Cool. Alright, Jeff, thanks very much for doing the interview.

Jeff Walker: You're welcome.