

Five Hours On The Phone...

Rich Schefren Interviews Jeff Walker

Version 1.1

Rich: You look at all these numbers of what these people have done; you, me, Reese, Kern, Filsaime, Yanik, by just using your Product Launch process.

Jeff: It's over \$53 million.

Rich: It's impressive, and you are talking about some of the biggest names in the Internet Marketing niche. And for each of us this was our biggest success, right? Filsaime's biggest success so far was the Butterfly Marketing Launch. My biggest success so far was the Coaching Launch. Brad Fallon and Andy Jenkins' biggest success was their Stompernet launch.

We all used your method. I don't think anybody denies that.

Jeff: Right.

Rich: That's just a huge deal. I mean, you are talking about the biggest money makers in Internet marketing have all used your system.

Jeff: You know I'm not one to blow my horn too much, but I really think it's the single biggest impact of any single product.

Rich: Oh, no doubt. I remember talking to <GURU NAME DELETED> a long time ago, way before my product launch, maybe before I was even thinking of a product launch, and <GURU NAME DELETED> was saying, "So many people are doing these product launches now. I would never do one." And that was maybe like after two of them, or three of them.

I'm like, "Man, that's the exact opposite way you should be thinking."

Because you go with what works. And people have been having huge success with product launches, and there is no end in sight. So you go with what's causing the huge success.

Jeff: Right. And I mean, there have been some failures, but the failures have been really lousy offers – basically what I call the "box of crap" offer. Someone sees these big launches and the huge dollars being generated, so they say "I want my million dollars"... and they go looking through their closet to try and come up with a box of 20 CDs and DVDs that they can sell.

They have no real product, no real offer... just a bunch of stuff. My Product Launch Formula is not going to save that kind of offer.

Rich: Right. The failures have been for reasons other than the methodology, because the methodology works when you know how to apply it. That's proven.

I mean, look, nothing is 100% because you are putting it in the hands of people. That means it's not foolproof; you have this human element involved.

But the numbers are just amazing... and we have just seen one huge launch after another.

Jeff: Yeah, and that's actually one of the themes I wanted to bring out was somewhere in this whole report or this whole product is there's this perception that these things are not working.

I mean, people always love to bash the "gurus," but I have heard and seen people saying stuff like "the gurus are really hurting, their launches aren't working anymore". I think lots of people read Mike Filsaime's report on the "Death of Internet Marketing" and they thought that the gurus were hurting. Those people just have no idea – they don't understand.

I mean, Rich... you and I were in that mastermind session in San Diego a few months ago. There were about fifteen of us in that room, and as I looked around at everyone in the room – well, pretty much everyone there had a million dollar business. Some of them had eight-figure businesses. And pretty much every one of them had had a big-time launch recently.

People have no idea how much money there is here. They have no clue what people are doing. The numbers are so much bigger than people think. And they are so much bigger than they were a few short years ago.

Your average person out there on the marketing forums has no clue that we are all running million dollar businesses. They have no idea what type of businesses these launches are setting up.

Rich: Right. These launches are creating huge businesses that are hugely profitable.

Jeff: One other thing: a lot of times people don't get the math, and this is if you look at some of these launches and you start to break down...let's take John Reese, okay? John Reese does a million dollars in a day, so everyone hears "a million dollars."

Of course he's paying out something like \$450,000 of that in commissions. He's spending another \$30,000 or \$40,000 in merchant fees. Then he's spending another \$50,000 more in product costs and more in shipping.

You get down to it, out of those million bucks he probably comes out with \$400,000. That's still an amazing number - most people would love to have \$400,000, but it's not a million dollars.

But what people don't get is the residual effects of a super-successful launch like Traffic Secrets. Because I know for a fact that on the day after the "Million Dollar

Day,” John sold a whole bunch more product. And he kept on selling it for more than two more years. He sold a LOT of product.

And that launch really helped set up John’s launch of the Reese Report. And the re-launch of Traffic Secrets. In effect, the Traffic Secrets launch really launched a much bigger business that makes that first million dollars look like chump change.

Rich: Right.

And looking at the launch of my coaching program, I banked over \$2 million because we just finished with taxes and stuff on the launch. Banked, as in cash in the bank... like I had to report on my tax return.

Jeff: That’s sweet. But that \$2 million is going to pale in comparison to what that launch brings you in the next two or three years.

Rich: Yeah, and it’s brought me tons of opportunities and stuff.

Jeff: Most people just don’t understand how big the numbers are.

And it’s not just the gurus... there are lots of other people that you’ve never heard of that are having huge success. These are people that maybe were working for a living in a day job and now they are popping out two or three \$30,000 launches a year and that’s just on digital products with no partners.

So they are pulling in \$90,000 or \$100,000 or more with product launches, and that’s not even including the back-end in opportunities that show up for them.

Rich: Yeah, I think that’s a really important point; there are product launches going on left and right that are very successful but you don’t realize it. You don’t hear about them, or you didn’t realize that they were a launch.

Rich: So let’s go back a few years to where this all started...

Jeff: Do you want talk about where I started creating this material, or when it first started getting used in the “Internet Marketing” niche?

Rich: Well let’s start with you and when you started creating your product launch techniques.

Jeff: OK.

I first started publishing online in the summer of 1996. I started publishing a free newsletter about the stock market – my first issue was on August 30th, 1996. That issue went out to 19 people. I eventually grew that list to more than 80,000 people. But I’m getting ahead of myself...

Like I said, I started publishing in the summer of 1996, and by the end of the year I had a few thousand subscribers. I decided to create a paid version of my free newsletter.

So I started thinking about the best way to take people from a free publication to a paid publication. It was clear to me that if people had been getting something free, then I would have to do something extraordinary to get them to actually open up their pocketbook and pay me money.

So I am not sure exactly how I thought of it, but I realized I would need some type of sequence that would gradually take them from this idea of getting my stuff for free to actually wanting to pay me.

That first launch was pretty modest by current standards – it did \$1,550.00. But that tiny little success was all it took to show me the future. It was huge. You have to remember back then that lots of people were saying that you couldn't make any money online.

That launch was all the proof I needed - I knew that if I could come out of the gate with those sales, I had a viable product and my business was only going to go in one direction – and that was up.

I also learned a lot in that initial launch... things that would become very important as I refined my techniques. From there I kept doing launch after launch, and each time I added new stuff into the mix.

In 1998 was the first time I really cranked up the scarcity and the social proof. That launch did more than \$34,000.00. Again, that number seems modest today, but I think it was more money than I had ever made in a year when I was working a day job for a living.

I didn't stop there... I kept adding more and more elements... stuff like audio and video, pre-launch reports, blogs. Anything I could think of. And in the spring of 2000 I did my first six-figure launch... I did more than \$106,000.00 in seven days. That was pretty much groundbreaking... I had come a long way. I tell the story of that launch on my [Six Figures In Seven Days](#) site.

But ALL of those launches were in the stock market trading and investing niche. I had never sold anything in the "Internet Marketing" niche. And I never really told anyone about what I was doing.

Then in February 2003 I went to the first Big Seminar and everything changed. I met lots of folks there... people that would become good friends - people like John Reese, Frank Kern, Jeff Johnson, and Jeff Mulligan.

I mentioned to a few people some of the things that I had done with Product Launches... and the cat was out of the bag so to speak.

Rich: OK, so let's talk about launches in the Internet Marketing world... what was the start there?

Jeff: Well the first significant one was Mark Joyner's launch for his Farewell package. Compared with what we do today, that was a pretty simple launch... but it had some huge innovations. It really was groundbreaking.

He launched on April 1st, 2003. April Fools Day. I'm not sure if that's ironic or not.
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Rich: Yeah, it is. It's very ironic. Okay, he launched April 1st, 2003, right?

Jeff: He had 2,000 copies to sell at \$1,000 each, and so he just came out of nowhere with it. He didn't do any anticipation. He didn't do any pre-launch.

But what he did do was get a bunch of partners on board. Now back then there were not so many people with lists, so the number of partners he had wasn't nearly as large as we see today... but he had many of the heavy-hitters on board. And when he launched, they all mailed either on launch day or shortly after.

With all the partners mailing, and with most of the "big names" at the time promoting, he had some Social Proof. That's pretty elementary Social Proof compared to what we see these days... but back then it was impressive. That was the first time, to my knowledge, that you had that type of coordinated JV partner launch... where all of a sudden everyone and their brother is mailing it on the same day.

Rich: Right, but the other thing is that was that it was a higher price point, right?

Jeff: Yeah, and that's a big deal. Mark really pushed the boundary with that price point.

John Reese really had a big impact with his Traffic Secrets course being \$997.00... John really changed things with that product. But Mark was at that price point almost 18 months earlier.

One important thing with that higher price point was it allowed a very large affiliate commission. I am not sure, but I think Mark paid out 50% commission, or \$500. That was surely one of the highest commissions back then... and it definitely got a lot of partners' attention.

Rich: OK, what else?

Jeff: And obviously he had a nice scarcity play because he said, "I'm retiring and there's only 2,000 copies available."

Rich: So if you have ever wanted to do it, it's now. And that scarcity is a big deal... and most things don't have that. How important do you think scarcity is to the whole equation?

Jeff: I think scarcity is hugely important. You can literally base a launch just on scarcity and nothing else.

On the other hand, I think you can do a launch without scarcity, but when you have it and you have a legitimate reason for the scarcity, then it can be mind-bending. It melts people's brains. They get so worked up about it. It's the fear of loss. That's what scarcity is; it's the fear of loss... and the fear of loss is a stronger motivator for most people than the promise of potential gain.

Rich: And it really eliminates any procrastination. If there's any desire whatsoever, it's now or never. And people realize that.

Jeff: Anyone who has sold with a deadline... with a real, legitimate deadline, has seen the power.

You put a real deadline on something where they know that you are serious and sure enough, that last 24 hours things will go just nuts.

Rich: I think I told you that was the case with even with my hypnosis business. The very first sales letter I ever did, I allowed my prospects one week to make a decision whether to buy it or not. I only sent that letter to 35 people because that was the total size of the market.

I thought I was in trouble because I only sold two units in the first six days. And then on the last day, I got all kinds of orders pouring in. Eventually I sold 25 on that day, out of a 35 total population. That was a \$10,000 course.

Jeff: So with Mark Joyner quitting the business, he had some good scarcity. He said he had 2,000 copies, and that was it.

Rich: And more recently, Frank Kern did something similar – he said “I’m only allowing 67 people into the seminar”.

Jeff: Yes, that was another great one.

Rich: Would you say, before we even go further, that in every launch there’s one that is stronger than all the others?

Jeff: I don’t know if I would agree with that. I’d say there’s usually a couple. To tell you the truth, I think the magic combination... the two that work the best together, are social proof and scarcity.

They play off of each other because when people see massive social proof, then they really key in on the scarcity, they really believe the scarcity. The social proof makes the scarcity real and believable.

Like if you had said, “This is the last time I’m going to work with someone. I only have 150 spots and we have 212 people on this list.” Then the scarcity is not that intense.

But if you prove that you have thousands of people on that list and that you have thousands of people watching the launch... then when you say you only have 150 spots, well then you have huge scarcity.

So how do you prove that? Well you could prove that just by the discussion on your blog, just by the discussion out there on cyberspace. This is exactly what you did with your Manifesto. People knew that there was this huge demand, this huge interest level. And so when they can see this huge interest level with hundreds of comments on your blog, then you have some real proof of the scarcity.

Rich: I think you are right on. That combination of scarcity and social proof is an incredibly powerful combination. But okay, let’s go back to Joyner...

Jeff: So it's higher price point . . . a physical product, big commission, a \$500 commission. I don't know for sure but that had to be one of the higher commissions ever at that time.

The social proof, he had some amount of social proof with all these gurus promoting it. That's not the most powerful form of social proof, but it's better than nothing.

They raised the price at the end to \$1,500, but basically we are talking about a \$2 million launch. That was huge, especially by the standards of 2003.

But it did take four months to sell out, which isn't as powerful as the launches we have been seeing in the last couple of years. That's probably because he only had some of the pieces of the launch in place. For this Mark basically was only using scarcity and social proof.

Paul Myers wrote the sales letter for Mark, and Paul Myers helped Mark with a lot of the marketing. Paul is an old friend of mine, so we talked a few times, and we bounced some scarcity ideas around especially as it got closer to the end on how to juice it.

One of the things they did was they relaunched it somewhere in those four months, after the initial flurry of sales. When they relaunched, they basically did a switch of the bonuses and the main product.

Initially the offer was all about the software you would get... and there were a bunch of bonus audio interviews. The audios were various people interviewing Mark. When they re-launched it they did a switch and they focused on the audios as the main part of the offer. It was the exact same offer, but they repositioned the bonus and the main product. And that re-launch is how they ended up selling out.

Rich: Yeah, and that's a very smart move. I know I was just getting on the Internet at that time, so the scripts were totally unappealing to me. They were just too far outside of my realm at that point. But I really did want to get my hands on those interviews. There was a lot less audio interviews around back then... so they were incredibly desirable.

Jeff: Yep, it was a smart move.

That launch was truly groundbreaking in so many ways: The higher price point, the physical product, the multiple partners mailing, the higher commission, coming out and drawing a line in the sand saying, "I have 2,000 copies and that's it."

Rich: Totally. So that was April 2003, and then when was the next big product launch?

Jeff: The next was John Reese and his "Triple Your Profits" workshop. So that was early 2004, I think. You were at the workshop, weren't you?

Rich: Yep.

Jeff: You were one of those guys up there doing the mind maps. I remember that. You were sitting up front on the right hand side. I had no idea who you were back then. I remember John pointing you out and saying, "He's the guy from the mind maps."

Rich: Oh, yeah, that was me.

Jeff: So John's event was in March, 2004... and I think he started selling it in January of 2004.

John was still pretty much underground at that point. A lot of the people that were really on the inside knew who he was, but to the greater Internet Marketing world he was essentially unknown. He had been working in all kinds of other niches up until that point.

But John and I were friends – we had met at the first Big Seminar, and John had heard about some of my launches in the stock market niche (like my six figures in seven days story, which was pretty impressive back in those days).

So John gave me a call when he was thinking about doing this seminar, and he was still trying to structure the whole deal. He was wondering stuff like "How many people am I going to take in the thing? What's it going to be like? How am I going to sell this?"

At that point he had a list of maybe 3,000 people I think it was, and it was a good list because most of the people he just met at seminars or had heard about him through someone else who knew him. In other words, it was a very warm list. But it was pretty small.

Remember, back at that time he had never sold an "Internet Marketing" product. But he had decided to do a seminar... so at that point it was a question of, "Okay, how are we going to sell this thing?"

A lot of what John and I talked about was how to create scarcity. A lot of times when people talk about scarcity they are worried about putting a limit on their number that they are going to sell because they don't want to limit their sales.

That can be a very sticky question, and a tough decision.

Rich: Yeah, that's a tough call. So how did John handle it?

Jeff: The interesting thing is that a few months earlier he had sort of floated this idea out about the seminar. This was probably a few months before the launch. This is something you will see John do a lot. It's what a lot of smart marketers will do ... they will sort of float ideas out to their list and look for feedback.

In any case, John had floated out this idea of having a real small teleseminar-based workshop and only having like 25 or 30 people in it or something like that. He just mentioned this idea and said he was considering it.

Then when it got time to release the workshop, in January of '04 (and remember all these dates are approximate), well by then his plans had changed and he was actually going to do a full-out live event.

He said that it was a limited event, with a limited number of seats. But he never mentioned what the limit was.

However, a few months earlier he had mentioned that number of 25 or 30 people, and that's the number is in the back of everyone's head.

Remember, he had a very warm list... and people were watching what he was doing. And most of them were thinking there's going to be 25 or 30 spots. That created huge scarcity.

So as we were coming up on the launch, John and I were talking... that's when I was really stressing that he needed to turn the launch into an event. And of course, John's a brilliant marketer and he got it pretty much immediately.

The plan was to basically turn this into John's coming out party... where he was finally going to reveal his secrets to the Internet Marketing world. So he actually scheduled the release of the sales letter. And that release was about 24 hours BEFORE the actual launch... before you could buy the product.

It was a great sales letter and here's something lots of people don't know - John wrote that sales letter. Lots of people think he hired a copywriter... but it was all John's work, and it was a great letter.

So he released the sales letter ahead of time, I think it was about 24 hours before the launch... and he basically told people he was doing that so that they had time to make up their mind before the release. The implication is that this thing is going to sell out so quickly you better make up your mind ahead of time.

When John opened it up, he blew away my "six figures in seven days." I think he did six figures in the first ten minutes. I guess even nowadays that's probably still pretty impressive. But after the first wave of orders, things really slowed down.

And that's when we used the other piece of launch magic... we pulled down the sales letter. I can't remember the exact timing, but I think it was within a few hours... poof, it was gone. Many people never even made it to the site before the letter was pulled.

The message at that point was basically "We had so many people buy immediately that we need to look at their applications... we need to shut down the order process so we can evaluate the applications."

That was all truthful, because actually put people through an application process and he did turn people down. But there was an awful lot of marketing behind the process. It's a take-away sale. You take something away and people want it more. This is standard salesmanship; really, standard sales copy even, but this was done in the context of marketing an event.

Then John did another really smart thing... he put up a "waiting list" form. So when people got to the site and found out he had pulled his order form and he was no longer taking applications...they could still get on a waiting list.

After that, John would contact them individually about applying for the workshop. It was brilliant.

Rich: And something else, also, and I think that as we go from that Triple Your Profits Workshop into his Traffic Secrets launch, and I know you've even said before... scarcity has a "carry forward" effect.

Jeff: Right.

Rich: They had already seen the first one sell out so quickly.

Jeff: Right, the list had been trained.

Rich: So that kind of leads right to Traffic Secrets because, you know, John already had tremendous momentum going into Traffic Secrets. I think a big part of that was the scarcity and the sell out of the workshop. That led to Traffic Secrets.

Jeff: You're absolutely right, and John is a brilliant marketer and a brilliant businessman. And someone who's using a launch properly, in the middle of their launch, in the middle of selling a bunch of product, they're also positioning for the next launch, which is exactly what John did.

So he came out of the workshop where he did almost a half a million dollars in sales. Again, he those sales were just to his list, which was something like 3,000 people. It might have been a bit bigger... but it was right in the range of 3,000 to 5,000 people. And he did almost a half a million dollars... those numbers are staggering.

In any case, he sold out the event; and not only that, he put amazing people in the room, amazing brain power. It was the "Who's Who of Internet Marketing."

So he had tremendous momentum coming out of that because he filled this event, he got great testimonials coming out of there, and there was huge buzz. Remember, the workshop sold out so quickly that a lot of people never even heard about it... but with the positive buzz coming out of the event, lots more people heard about it after the event.

And that buzz was among the cream of the cream in the Internet marketing world. And, of course that buzz filtered out into the broader community.

Then a few months later, in August, he came out with Traffic Secrets, and this was sort of the day that shook the Internet Marketing world.

But then coming into Traffic Secrets, this is where John really went all out in turning that launch into an event. One thing he did was release a great PDF report ahead of time that pre-sold the course.

Another thing John did was use a blog. This was the first time a blog was really used for a launch in the Internet Marketing niche, and he used the blog to build tremendous social proof. He had all these raving fans that were at the workshop, and those people made lots of comments on his blog – he would put up a blog post and there would be 10 or 20 or 30 glowing comments on the blog for the whole world to see.

That's powerful social proof. And it's not contrived whatsoever – it's very real social proof. People know it's real because they see real people making comments on the blog. And some of those people were very well known people.

Rich: Let's go back to the PDF for a second, because I think the PDF was also really instrumental, and it's actually one of the ones I looked at a lot before I wrote the Internet Business Manifesto.

To me, I saw two things in his PDF. Number one, I saw that he pointed out a mistake that a lot of people were making. Once he pointed out the mistake and said the right way of doing it, it made a lot of sense.

So, one, it was somewhat controversial in the sense that you don't look for niches where there are not a lot of people. You look for niches where there are a lot of people, and let me tell you why. This is one of the secrets of my success.

So that was controversial because everybody was saying somewhat the opposite at that time.

And the other thing that it did was kind of prove that "I have knowledge that you don't have." And I think those two things, that some of the things you think to be true are not true, and then here are some things that you're not even thinking about that you NEED to be thinking about... those two things make a PDF report powerful.

Jeff: Right. It was definitely perceived as a high-value document. It didn't feel like a sales message whatsoever.

Rich: He had pictures of the product at the end, and I remember that. But, still, he gave a lot of really valuable information in that report.

Jeff: And as I mentioned another key piece, he got partners mailing for that PDF report. There weren't a ton of them, but he got some partners mailing on that PDF. They basically sent a branded PDF to them.

That was groundbreaking – the whole idea of having partners mailing pre-launch content long before launch day. That was really the first time that I know that this type of thing was done with partners mailing pre-launch content before launch day.

And the partners that were mailing for that pre-launch content (the PDF report) were putting people on his John's launch list – his priority notification list. I've certainly done launch notification lists (sub-lists) with my launches when I was doing stock market stuff, but I think that was probably the first time a notification list was done for an Internet Marketing launch.

So John really pulled a lot of pieces together, and he added several innovations.

Looking back on it, probably the most impactful piece was getting partners mailing something that was perceived as high value content ahead of the launch. That's really the golden combination for JV partners – if you can give your partners really great content to mail, and they end up making a lot of money by mailing that content... well, like I said that's the golden combination.

Rich: Yeah, and that's exactly what happened in my launch. There were partners who said no at first, but then they read my PDF and saw the quality, and they were willing to send it.

That also takes the responsibility and the burden off of the JV partner.

You are saying to them "Look, I'm going to give you something that's really great to send out to your list. If they want it, they're going to be on my list. But then you really don't have to support me much from that point on. I'm the guy who's going to roll up my sleeves and make the sale."

That's very appealing to a joint venture partner. They are thinking "You mean all I have to do is send out this great stuff?"

Of course, in an ideal scenario, a JV partner will also try and close for you at the end, but because they're opted in now you have the ability to make a sale. That also gives you the time to take them through a sequence, and you don't have to keep asking the JV partner to mail for you time and time again, which I think is huge.

It's a consistent pattern. I see it in a lot of these launches.

Jeff: And you don't see it in the launches that fail. The launches that fail say, "Okay, we're going to go into prelaunch on January 7th, so start mailing your list that something's coming. Then I want you to mail again on January 14th when we launch."

There's no reason for your partners to mail ahead of time if they don't have something good to mail. People just seem to miss that piece. Often, that's one of the red flags that you'll see in launches that fail.

Rich: Right, and it's another form of social proof. I don't know if I'd call it social proof as much as just proof. When you put something out there that gets people thinking, "Wow, that's a really good concept. I never thought of it that way," where they learn something and you're giving it to them for free, it proves that you're an expert.

It's even more important today than ever before because there are so many people who are NOT legitimate online. When you publish good content, you are proving that you ARE legitimate.

Jeff: The social proof comes from partners mailing. If a bunch of partners mail and they are highly regarded, that's social proof.

But you're right, if you're delivering just killer content, that's just plain, old proof. That's saying, "I'm claiming to be an expert and I'm going to prove to you that I am an expert by this incredible content."

Rich: And that's not easy to do unless you know your stuff and you are an expert, but that's what gets people to really open their eyes and take notice.

I mean, you can make a launch work even if you're not an expert in the field. But if you are an expert, it's a no-brainer because you're giving yourself a forum to

show everybody your expert status. That worked for Reese, as it did for Kern, as it did for you, and it did for me, as it did for Filsaime. The idea is that you are not only positioning your product to sell, but you are also positioning yourself, period. You've given something away that now proves that you are an expert.

It's not like you've got to keep proving you're an expert. Once you prove it, then you're an expert now.

Jeff: Yep. I don't want to jump ahead, but in my Product Launch Formula launch I was almost completely unknown except by the real insiders. In reality, you were in the same position when you launched your coaching program.

I know with my launch, my first two or three weeks, the first two weeks of the launch were all about establishing who I was and my expertise. After that, then it was about establishing the methodology and the legitimacy of the methodology and the legitimacy of the product.

With yours, you almost did it the other way. You came out with the concepts. First was the Internet Business Manifesto, and that was all about the concepts. Then you came in with the case studies. So it was almost a little bit of a switch from what I did, but still, it was the same thing.

You're proving yourself through your content, and then you're coming back and you're showing tremendous social proof because of the case studies.

Rich: Yeah, it's part of a bigger thing, though. There is also the proof to your JV partners and potential partners that you know what you are talking about, and that you can produce good material for the launch.

Jeff: Right... if you are relatively new to a market and you are trying to attract partners... then you need to prove yourself to your potential partners just as much as you need to prove yourself to prospects. And putting out a great pre-launch report or other pre-launch content

Especially now. I mean, it depends on the niche... if you are selling quilting stuff it might not be as important. But in this Internet Marketing niche (that you and I are both in right now) the competition for JV partners is fierce.

Rich: And that's the niche I'm talking about.

Jeff: Right, the two of us have that bias to talk about the Internet Marketing niche. That's where our brains tend to go.

And right now in that market there is a lot of product getting released all the time. People have seen these huge "Product Launch Paydays", so they want to get their big day.

That means that everyone who's got a sliver of a bit of a little toe dipped into the Internet guru world, that they have some type of claim that they're a guru or a teacher or whatever, then they want their million dollars too.

And that's great... if they can bring something to the market, if they can teach something that's useful, then more power to them.

But everyone and their brother is coming out with a product, and I think a lot of these have fallen into the “Big Box of Crap” category. That’s where people think, “I’ve got to come up with some plan to throw 20 CDs into a box, and then I can sell it for \$1,000.”

Maybe they bought some resale rights package. And they got rights to some audios from somewhere else. And then they interview three buddies about something else. They end up with a “Big Box of Crap.”

So everyone’s got that box that they’re trying to sell. And that’s the environment you’re competing in if you want a JV partner to mail for you. So if that’s the playing field, you have to sit back and think about how you can be different. How can you get JV partners on board?

And like I said earlier, the golden combination is you give them great content to give to their list, and giving that content ends up making them money... it’s hard to go wrong with that combination.

The timing of it might be different and the delivery might be different. Maybe the content’s a video. Maybe it’s a PDF; maybe it’s a teleseminar; maybe it’s something completely different. Maybe it’s going to be an iPod that they send with content built into it.

But you’re right. You have to judge what the current environment is. If you are going to do a launch that’s based on partners, what’s going to get partners mailing?

Rich:

Right, and I just want to add one thing to this, and it might be useful and it might not. If someone is going to try and create some content, whether it’s a report, whether it’s a video...

I think most people feel like their problems are their problems, and they don’t necessarily believe that their problems are other people’s problems, right? But the truth is far more likely to be that the problems you are having are the exact same problems the other people in your niche are having.

I think if you can tap into that and address your problems, then I think you will tap into the problems that the people in your niche have. That means you are talking to them in a way that they will connect with. I think that creates a tremendous amount of goodwill and a feeling that “This guy really gets me,” or “This woman really gets me.”

I noticed that even since my launch, the blog post and the content that I put out where I was almost writing a letter to myself... I wrote “Decrease the input; increase the output.” That was really a note to myself, but so many people have resonated with that. That was one of my most popular blog posts.

That was even after the launch, but nonetheless got hundreds of people commenting on it. I was talking about a problem I had. I didn’t present it that way in my post, but that was the reality of the situation. In my blog post I was talking about it like it was a common problem... but really it was just me being bold enough to assume that because I had the problem, other people had the problem as well.

So no matter what niche you're in you can look at your problems. If you're in the gardening niche, it doesn't matter. It's likely that the problems you face in your garden are the same problems that lots of other gardeners have. I don't know what they are because I don't get into gardening, but if you tap into those, and you get people to think, "Oh, this person gets me. They understand my problems".

I think that takes it up a notch... and it's one of the well this is one of the most profound concepts that I have discovered for creating content of this type.

Jeff: Yeah, that's a very relevant comment because that's something we haven't touched on. We've talked about scarcity and social proof; we've mentioned proof and a couple other triggers in passing.

But we haven't talked about how stories and sequences play a huge role. Everything we're talking about is made up of sequences. And what those sequences allow you to do is build a relationship with your prospect.

And when you're sitting there explaining, "I know these are your problems because they're my problems as well," that's very powerful. It is so much easier to sell to someone who's a friend.

What the launch does is it gives you an excuse to continually contact your prospects. By definition, a sequence means you're going to be contacting them several times. That gives you the time to tell your story and to connect with them and to build that relationship with them. That's absolutely huge.

The sequences can also build interaction and community. I'm sure on your blog posts you had people start answering each other. It's almost like they create a community within your blog. I had that on my blog; people answering each other back and forth... actually having a discussion.

Excitement is contagious, and excitement within a community is very powerful. When you create that relationship, that interaction, and then people get excited... that's when a launch takes on a life of its own. And all of a sudden the next thing they know, they're pulling out their credit card.

Rich: I think it's a very valid point. And we've only touched on a few of them so far, but when you start stacking all of these laws of psychology and influence - and you do it right, there's no question about the success. And it doesn't matter if 500 people have done it before you or 5,000 or 5,000,000 because these are the laws of psychology.

You will always feel obligated to give something back when someone gives you something under the right context. You know what I mean? We always tend to like things more when they are scarce. That's just the reality.

Jeff: That's the way we're mentally wired. And that's why this stuff is going to keep working. It may sound like marketing tripe to say this is evergreen, but this stuff will work a thousand years from now. There will be different delivery mechanisms and different ways to create this stuff, but the same mental triggers will keep working. We're talking stuff that's not going to go away.

I don't know. Maybe there are some cultures in the world where reciprocity doesn't work. Maybe there are, I don't know. But I know that people have successfully used Product Launch Formula who have used it in Poland, in Mexico, in the Middle East, in Asia, in Australia, and in South America. And I am sure there are some others that I haven't heard about yet.

Rich: And I would imagine each of these successful launches pulled in a lot of people from around the world. I know mine did.

But before we leave the Traffic Secrets launch... as a recap, what were some of the things John did that made it his own? You mentioned the blog.

Jeff: John innovated so much with that launch. I mean, I worked with John mostly with his workshop, and he took many of the ideas I shared with him and he made it his own because he is such a brilliant marketer.

So, yeah, the blog, that PDF and getting people to mail ahead of time on it. He did a great job with getting lots of partners on board. He did a great job of encouraging those partners to give extra bonuses. That was the first time I know of where we really saw this kind of competition among partners to put together bonus packages.

Frankly, I think that's something I'm pretty sick of seeing these days, but back then that was hugely innovative and John, with just a few little hints to his partners, got people really thinking that way and competing with each other. So that was a big thing.

And of course, there's the really big thing when we're talking about John Reese and Traffic Secrets - we can't forget about the bottom line. He sold more than a million dollars in product in 24 hours. That completely blew people's minds - that kind of result was beyond what anyone was even thinking about back then.

I can still remember being on an Instant Message session with John that day when he hit a million dollars. I couldn't believe it. That was a number that was so inconceivable to the general Internet marketing population, that it changed everything forever. The cliché is to compare it to running "the four-minute mile."

Well, it was beyond the four-minute mile. It was like everyone was chasing a four-minute mile, and John did the three-minute mile. That's what it was like.

Rich: You know, there's a consistent pattern we see as we go through all these major launches... and that's of each person doing things a little differently. They each took their own approach and made it their own.

Jeff: Right. The cookie-cutters can work if you just go to a different niche, but in the Internet Marketing niche, there is too much competition. You need to do something to be different. And then they work just fine.

Rich: But I bet you, even in those niches, I'm not saying that you wouldn't do incredibly well following a cookie-cutter approach, but I think you would do even better if you make it your own.

You're trying to build that relationship, so you have to take those things and just put your own twist on them. You know a lot more about launches than I do, but I think when it comes to that, everybody puts their own little twist on it.

You don't have to be a marketing genius to do that, but you have to be willing to deviate and not just say "I'm just going to do a cookie-cutter" launch.

Jeff: Well, I have had a lot of people who bought my Product Launch Formula course who just took the copy straight out of my course. They took my emails and changed the name at the bottom of the email because I include all of the swipe files.

They took my special reports and they just changed the name on the special report. They used my exact sequence. And they had great results.

So you can definitely just do a cookie cutter in just about any niche outside of Internet Marketing.

But I do think what you're saying is accurate. I think if you do put your own stamp on it you are probably going to have even more success. Often people will do the cookie-cutter on their first launch... and then do things a little differently on their next launch.

Rich: But that's the thing... what's required to make it your own, in my opinion, is to really know the fundamentals and know them really well.

So in our launch, I went through your course a couple of times. Dan Caron (Rich's right-hand man) went through your course a couple times. We knew it backwards and forwards, and this is what I mean by authentic. We knew the principles. We read your swipe files; we knew how you did it.

What that allowed us to do was capitalize on the events that happened during the launch. We knew how to work them into the sequence.

You know what I'm saying? We didn't just say, "I'm just going to cut and paste these seven emails," which we know will work. What we did was learn the principles because we studied the course.

And by studying the course, it's like the reticular activating system that self-help gurus talk about. You don't notice the car you want to buy until you figure out what car you want to buy, and then all of a sudden you notice lots of other people driving it around? Or pregnant women start to notice all the other pregnant women?

It's the same thing. Once you know the principles, you see the opportunities to use the methodology

Jeff: You're right. You start to say, "Oh, gosh! This is great social proof!"

Rich: Exactly. You know what? The masters of copywriting will tell you one of the best ways to become a great copywriter is to write out great copy by hand so you get that rhythm, that flow.

That's what they tell you. But the other thing is you get to know what good copy is because you are reading good copy.

It's the same thing. By reading all the swipe files, by studying, you get to know what those principles are, how they can be used, and you see time and time again. Therefore, when things come up, you're able to, I don't want to say exploit them... but that's really what it is.

You're being honest, but you're going to be able to use it. Maybe I wouldn't have written about how our offices are getting tons of phone calls of people trying to get in early. That really did happen, but if I hadn't gone through your course I certainly would not have written an email about it that said "Stop calling my office." Right?

But because of the fact that I knew what that would cause, I recognized it and I was able to use it during my launch.

And I think that's a big part of it. It's a recipe, but if you want it to be massively successful, you've got to master the recipe so that you can make it your own.

Jeff: Exactly.

OK, let's move on to Frank Kern and Ed Dale with their Underachiever Mastery course. That was a big home study course. I think it was \$1,400 or \$1,500. So this was a new price point... a new higher price point.

Frank basically went into this with virtually no list whatsoever. He had some good name recognition, but no list. He went out and spoke at some seminars and would give great, huge amount of content at seminars, but not a pitch; nothing was for sale.

He was out there building some proof; building a lot of reciprocity ahead of time. Even though he was out just at a few seminars and maybe 200 people see him here and 300 people see him there, you don't think it's that many people to really create the reciprocity.

But there's reciprocity and there's also this reputation.

Rich: Well, it's that proof. I saw Frank Kern speak at Big Seminar, and that was the first seminar I ever went to, and that's when he was talking about this Underachiever model because he had just done it; he was just starting out with it.

As soon as Underachiever Mastery came out, I wanted it just because I remembered it. A lot of people were asking me, "Who is this Frank Kern guy? What do you know?"

And I was like, "This guy's the real deal," because he had that proof; not proof in sales figures, but proof that he knew something that other people didn't know.

Jeff: Right.

And Frank did a great job recruiting partners. He recruited lots of partners, but he did a good job of creating a real sense of exclusivity among his partners. They

felt like you had to be in the inner circle to be a partner. He did a good job of creating that feeling.

We keep talking about Frank, but this really was every bit as much Ed Dale's product. When they launched I think within a day and a half they sold out around 700 copies. So we're talking about another million dollar day.

John Reese had his million dollar day in August, and everyone was completely shocked.

But then Frank and Ed come back in January just about four or five months later and they did their million dollars. I don't know if it was in a day... but it was really close. It might have been in a day and a half or two days, but they did a great job.

They did a contest for their JV partners. I don't know if that had been done before, but I think first place was like a trip to Australia for two people. So that was a first there with an affiliate contest.

Rich: Was that the one where they did the spy photos, too, and all that kind of stuff?

Jeff: Actually, that was John Reese with Traffic Secrets. That was another innovation that John used.

Frank actually used my "34 Minutes To Go" email. That might be one of the most copied email pieces in existence... I included it in the swipe files in Product Launch Formula. That email has been used in so many launches I can't even count it... in all kinds of different niches.

Frank and Ed launched late January – that's when they used it. I had written the email a couple weeks earlier when I did a launch in the trading market. This was just a little launch to my tiny list; I didn't use any JV partners... but I still had a really successful product launch.

I had just written this email that went out 34 minutes before the start of my launch. It's a pretty powerful email that started out something like this, "I've been up all night and I'm writing you this letter. I'm going to send you the letter in 34 minutes, but let me warn you it's going to be a long letter so I suggest you print the whole thing out so you can read the whole letter."

So I sent that email to Frank, and Frank used it in the Underachiever launch. It was very, very powerful. That was the first time that email was used in the Internet marketing world. It was certainly not the last time. 😊

Like I said, I included that email in the Product Launch Formula swipe files, and that email has been used a lot. That email gets used a lot.

From example, right now I'm trying to learn how to play guitar - so I'm on every "learn guitar" list in the world, and it so happens that most of the people that are selling "learn how to play guitar" products have bought Product Launch Formula. So they all have that email.

Every month or so I get that same email sent back to me selling me some "learn guitar" product.

Rich: Okay, so Frank and Ed did another million dollar launch. What else is there to learn from this launch?

Jeff: Well one key piece is that they went into this with basically no list... that launch built a list and a business that went on to generate a huge volume of sales.

Here is a piece that very few people know... when all their DVDs were produced they had some kind of really weird duplication problem.

Basically, some of their DVDs were defective, and it was completely random. It was like on this given set it might be the first DVD. In a different set it might be the 17th DVD. So it was completely random; just some of the DVDs were bad.

They ended up sending out an email to their people who bought and said, "Some of these DVDs are bad. Please go through them and check your DVDs and make sure they're all good."

This is key piece number one.... that means that they have a huge number of their buyers opening up the boxes and actually going through the course. That really "forced" consumption of the course.

As many people know, many times when you're selling a home-study course (or even a book), a lot of times people don't end up actually opening the course up and using it.

But in this case they sort of guaranteed that everyone opened the course, went through it disk by disk because, if you think about the psychology, someone's sitting at home saying, "Oh, my product might be defective. I'd better find out whether it's defective or not."

So what they ended up doing was force the consumption of their product. And that "forced consumption" meant a lot of people got a lot out of the course. To this day, Frank and Ed have a set of raving fans and one of the big reasons they attribute that to is due to the very high consumption level.

So that was key piece one. In a backhanded way, in a bad news kind of way, they were able to force the consumption of the product. And even though it was completely unintentional, it ended up creating this large fan base for them among their buyers.

The second piece was that Frank and Ed made the decision to just go ahead and get the entire course re-duplicated. So they did an entire other run of product to make sure everyone got a good copy. And as a "make good" measure, they included a whole extra set of DVDs from a seminar they had done. They ran off all those DVDs and shipped them all out.

It really increased their costs in a spectacular way. It really cut into their profits. In fact, let's look at their numbers, because I think there is a HUGE lesson here.

So they did a million dollars in sales. Almost all of those were affiliate sales, so they paid out about half of that in affiliate sales. So they were left with \$500,000. Then they had some initial product costs plus some fulfillment costs, plus some credit card fees.

So maybe initially they would have ended up with \$400,000 out of that million. But then, because they had to run all these disks over again, they had to double their duplication costs. Actually, it was more than double because they gave a whole set of extra bonus disks... so they more than doubled their fulfillment costs, and their shipping costs.

Rich: Yeah, the shipping and the fulfillment is what kills you.

Jeff: Right, right.

And remember, Frank and Ed are splitting the profits between them. So Frank told me that he thinks he ended up with \$100,000 out of this thing. So everyone sees a million dollars and they think, "Oh, my gosh! It's a million dollars!" and they don't go through the math.

So Frank ends up with \$100,000, which I think he's actually being a little conservative with. I bet he came out with a little more than \$100,000... I bet it's closer to \$150,000.

Now that's a really nice pay day, and most anyone would love to have it. But it's not the million dollar pay day that lots of people think about.

But then, this is a key piece...

Rich: He came out with a list that worships the ground he walks on. It's worth a lot more than a million.

Jeff: Exactly. And in the next 18 months after that, he did another \$6.2 million dollars in launches beyond that initial million dollar launch.

And almost all of those launches went straight to the bottom line, because he did them without partners... he made those sales to the list that he generated with his first launch.

That is a key piece that a lot of people miss.

Often that first payday that seems so alluring, that maybe a lot of people hear about, but often that's not where the real money is. It's the follow-up; it's the list you generate from that launch.

That's just a classic example. He comes out with maybe \$100,000 or \$150,000, but then does another six million in follow up launches.

Rich: Right. I don't think people realize this... but there is a big difference in the quality of various lists. And the list that you build from a product launch is the best kind of list there is.

We're talking about the value of the subscriber, and what people don't realize is that you can have a value per subscriber of \$70, \$80, \$100. You start doing the math on an annual basis of what that's worth, and that's an insane number.

People don't realize how much money there is in a list when the list has a natural affinity to you...

Jeff: And the launch builds that natural affinity... the people on your list like you.

Rich: Yes, a launch builds a killer list like nothing else; like nothing else. I really don't think there's any other methodology that will really cement a relationship like the product launch if it's done correctly.

Jeff: I'd say the only thing that could hold a candle to it would be a list that you built, maybe, by speaking at a seminar.

Rich: Right, but you're not going to have the same kind of numbers most likely.

Jeff: Right. You're going to put 10 or 20 people or 50 people on a list that way. But, yeah, if you're talking that you're putting people on that are worth \$50, \$60, \$70, \$100, and you're doing a launch where you're putting on 10,000 to 50,000 people on your list... well you can just do the math. It's stunning what kind of an asset you have built.

Relatively conservative numbers based on some of the recent major launches would be 30,000 subscribers and a conservative valuation of \$50 per year, that would be a value of \$1.5 million.

That's what we're talking about. People see this as a big, quick hit from a product launch. Okay, but what happens the day after the launch? Well, the day after the launch you have this immense asset that's called a list.

Rich: Right. Not to mention guru status and a lot of name recognition in whatever the niche is, if that's one of your angles. And that's also an asset. It's huge.

If you're really smart about this, you see it as something much bigger than that. It's a quick hit that also allows you to brand yourself; it also allows you to get instant notoriety; it also allows you to build a list that you have a great relationship with.

The benefits just go on and on and on. So the people who see it as just a quick hit and a way to make money... well, they are right, but they are leaving a lot more money on the table.

Rich: All right, let's move on to Yanik Silver's launch.

Jeff: Okay, Yanik did a launch for the DVD recordings from his first Underground Seminar.

I think that fundamentally selling recordings of a seminar is not a particularly easy thing to sell.

But Yanik had 750 copies available... and he sold them all - and he sold out. That was impressive.

He did it by using a lot of the standard product launch stuff. The piece that was added there was a countdown, an actual product countdown.

When someone purchased one, there was actually a little bug on the screen that updated in real time and said, "There are now 482 copies left." When the next one sold, "481 copies left."

So what you're talking there is your combination of social proof and scarcity. The social proof is that you're actually seeing people make the purchase right in front of you, that counter would count down in real time.

And the scarcity lies in the fact is that it's counting down to zero. There were only so many available, and you could see exactly how many right on your computer monitor.

What was really interesting was that he put a date on it that "I'm going to stop selling it on this date or the quantity, whichever comes first." And it came down really close between the two forms of scarcity.

What I thought was really fun was watching that countdown bug once the number available got below a hundred; all of a sudden the pace picked up and they were selling like gangbusters.

This is due to a principle I know from my stock market background... a phenomenon I call "the power of round numbers". Those round numbers really mess with people's heads... that's why people get excited when they turn 50 years old or when they turn 30 years old or 20 years old. Those are round numbers... and they are impactful on people.

Here is another example... the year 2000, that was treated like a much bigger deal than the year 2001. Or gasoline going to \$3.00 a gallon... a bigger deal than when it goes to \$3.01. Round numbers really capture people's attention. Like I said, I know this from studying the stock market. I have done studies of this – how investors react to prices at different "round numbers".

So I was watching this in real time, and I knew once we broke below 100, the bottom would just fall out of this thing. And it did. It was creeping along and creeping along and when it got below 100 it just dropped very quickly and ended up selling out.

That was just an interesting bit of technology and, in fact, Yanik, Chris Zavadowski and I were all sort of on the phone planning this out. I think it was my idea for that countdown bug, and Yanik thinks it was his, and Chris thinks it was his, and we all joke around about it to this day.

Rich: But this is your report, so it was your idea. ☺

Jeff: Yeah, right. This is my report... so I guess we should just say it was my idea. ☺

Rich: Yanik can say it was his in his report.

Jeff: And the interesting thing was that right there on that call, the first thing Yanik asked about was what about "negative social proof" if sales weren't as strong as we hoped they would be. Yanik's very smart and he's a great marketer. That's something that you always have to worry about as you open up your marketing.

It ended up that we decided that we would risk the possibility of reverse social proof... and it turned out it wasn't a problem. In the end, Yanik had enough momentum in the market, enough self-confidence that he was willing to go ahead, and it worked out just fine. But that just shows you the mind of a good marketer instantly saying, "Okay, what could be the negative side of this strategy?"

I have seen this thing catch a different marketer in a big launch. He created some "proof" that turned out to be "negative proof" when people looked at it closely. You really need to carefully consider everything you publish during a launch.

Rich: I had the same thing here with our waiting list. I was really concerned, and when we get to mine, I guess I can talk more about it, but because The Manifesto had taken such a viral effect, I had no idea how many people were interested in The Manifesto and how many people were interested in coaching.

We had a talk about this. I was really concerned... I knew they were interested in the Manifesto report, but I didn't know about how many people were interested in the coaching program.

Jeff: Right. Well, everyone's got that moment some time in a launch where they're going to do something and it's like, "What's going to happen?"... where you just hold your breath.

Rich: And you just hope it works. So did Yanik have a lot of partners mailing for his launch?

Jeff: No, not a huge group. He had a small core group of people. I mailed for it and did really well.

Rich: So that would be another one that was somewhat covert and maybe not as covert as some of the other launches, but it was somewhat covert.

It's like there are these launches everyone knows about that you get 20 emails in your box. But there are a lot of launches going on where you might hardly even notice it... but they end up doing some big numbers. In this case, Yanik sold 750 copies at something like \$800... that's around \$600,000.00 in sales.

Jeff: Right, there are launches like that all the time... people launch mostly to their list, or maybe with just a few partners. Those launches generate some huge results, but most people have no idea. Yanik launched to his list, and he promoted to his list hard and got maybe three or four or five people mailing for him.

Jeff: Yep, absolutely. Okay, where are we at?

Rich: OK, so now we're at the Serializer.

Jeff: So the Serializer was a live event that Frank Kern put on. He only had 37 spots for sale. Actually, he said, "I'm going to sell 37 seats for this event. I might do another event later on, but I'll never sell more than 100 ever. And at this event there are only going to be 37 seats available."

It was priced at \$10,000, which was a whole new ball game. And he came into the launch with huge proof. He showed how he had just done a million dollars in the previous year selling information products in little niches. And in this seminar he was going to teach the exact technique he had used to get those results.

Rich: Those results were all in ClickBank. And the sales were in small, little niches.

Jeff: Right, they were all in ClickBank... and he showed videos where he logged into his Clickbank account and showed all those sales.

Rich: I know a lot of people saw those videos.

Jeff: Those videos were of Frank logging into his ClickBank account, and there's a million dollars in sales. So he had huge proof there.

Of course, he also had big time momentum coming off of his Underachiever launch. It was only a short while, maybe eight months after the Underachiever launch.

So this time he had a list. A key piece here is that he didn't use partners this time. So the first time he had to be completely dependent on partners. He did the million dollar launch, paid out a lot of money to his partners. But he built his list based on that launch.

This time with the Serializer, he didn't use any partners whatsoever. He came out and he sold out his 37 spots in nine minutes; \$370,000 in nine minutes. He almost surely could have done a million dollars that day if he'd been willing to sell his 100 spots.

In fact, he sold 47 spots before he could take the sales letter down, it all happened so fast. So actually he had to refund somewhere in the vicinity of \$100,000 because he had said he would only sell 37 spots, and he just couldn't pull the sales letter fast enough.

So this is what you had mentioned earlier about the idea of scarcity and how there is a residual effect when you go from launch to launch. It builds over time and has some real carry through. A few months later he ended up doing a second seminar, a second Serializer seminar.

Well, the scarcity was immense that second time... because the first time had sold out in nine minutes. And he had huge proof for that scarcity because there were ten people out there who missed the deadline the first time and had their money refunded. In fact, I've met some of those people.

I attended the second Serializer, and I met a few of those people who said, "Yeah, I was one of those ten that got my money refunded because I was too late the first time around."

So Frank came into this launch and was able to leverage that list he built off the Underachiever launch... and he did \$370,000 almost instantly.

Rich: Not a bad day.

Jeff: Now we're coming up to when I launched Product Launch Formula.

And it's funny, Frank Kern did his Serializer launch just four days before I released Product Launch Formula. We were just talking about reacting to what's happening in the market during your launch and having the knowledge to realize what makes a good hook when you're in the middle of a launch.

In this case, Frank Kern does \$370,000 with his Serializer launch on Monday; and I'm launching on Friday. The Internet Marketing world knows I'm launching on Friday... I've been building up to it for four weeks. And everyone is talking about my launch on Friday...

Then on Monday, just four days before I'm going to launch... Frank launches Serializer and all of a sudden everyone's talking about Frank.

Now remember that Frank is a good friend of mine. And we have lots of mutual friends. After Frank's launch on Monday, a few of our mutual friends asked me, "What was Frank doing launching on top of you? You've been building up to this and Frank comes in at the last second and steals your thunder."

I'm like, "No, he didn't steal my thunder. He just provided the greatest proof ever for Product Launch Formula." I'm doing a product about product launches, and I have on Monday I have Frank making \$370,000 in less than ten minutes and telling the world he did it because of what he learned from me."

So I instantly shifted my marketing. Frank launches at 9:00 A.M on Monday. By 10:00 A.M. I'm emailing my list telling people how Frank just made \$370,000 in nine minutes.

That was real, in-the-moment proof that product launches are incredibly powerful. I think the subject line for me email was "\$370k in nine minutes".

That's an example of how some people looked at that as a negative, and I looked at it like, "No, this is the best possible thing that ever could have happened, and I'm going to run with this thing."

Rich: That's the thing. When you master the fundamentals you see opportunities all over the place... opportunities to be ethical, to be honest, and still be able to harness, leverage, exploit, whatever you want to call it, the methodology that you created. The methodology that has been proven in all these launches.

Jeff: Yep. Crushing; that's the word I like to use. I like to just have a crushing offer and I just like to present it in an overwhelmingly crushingly, convincing manner.

Rich: And it's a lot easier when you're authentic.

Jeff: Yeah, it is. I was just talking to a friend about this. In addition to karmic reasons and ethical reasons, it's also damn effective marketing if you're telling the truth and you're authentic. It just really is.

Rich: Okay, tell us more about your launch.

Jeff: Okay, so with my launch I am essentially completely unknown. I am good friends with many of the top dogs in the market; John Reese, Frank Kern, Yanik Silver, on and on; good friends with them. They knew who I was. I taught them this stuff, and they've been capitalizing on it... as we have just talked about. They've made a lot of money using my techniques.

But the greater Internet Marketing world didn't know who I was. So as I came into this launch I needed to introduce myself.

The question was, how do I introduce myself? And how am I going to be different from all the other would-be gurus? I don't want to just put out a PDF. John Reese put out a PDF; a few other people have been putting out PDFs. So how am I going to tweak this?

Yanik Silver gave me a great suggestion... he suggested doing a teleseminar – and that's what I did. I put together what I called the "Social Proof Call"... I invited five experts who are friends to be on this call with me.

As we mentioned earlier, teleseminars, back when Mark Joyner launched were....

Rich: Non-existent.

Jeff: Exactly.

But by the time I did it there were a lot more of them... but there weren't really any super-high quality teleseminars. I am talking about teleseminars with great content.

And there certainly weren't any with the kind of all-star cast that I put together. I had John Reese, Frank Kern, Jim Edwards, Jason Potash, and Yanik Silver all on this call with me.

Rich: It was like The Cannonball Run of Internet marketing, right?

Jeff: Exactly.

So what did that call do? Well remember, I hosted the call. And these guys are all friends of mine. They've all done product launches, and so basically they are all in my corner.

We had something like 6,000 or 7,000 people register for the call. And I delivered a three-hour call that was just pure content from beginning to the end.

Right from the start that teleseminar created a lot of reciprocity – I was freely giving a huge amount of great content away. When you give something like that, then people want to give back to you.

One of the keys was that the call was all about "Social Proof". This is one of the key principles, one of the top mental triggers in product launches. Basically, I was introducing the concept of social proof... an idea that most people had never heard of at that time. And I was not only introducing people to it, I was giving them a masters class in it.

I just want to be clear here... I didn't invent Social Proof. I learned about it from Robert Cialdini in his book, Influence: The Psychology of Persuasion. That's where I learned it, and then I spent years working out how to create social proof online.

So I didn't invent it or discover it, but that call did introduce it into the lexicon of the Internet marketing world. Most people didn't know about it before that call. And most people never thought about the ways it could be used and created on the Internet.

So I did a three-hour call with all these experts. And the irony here was that the real social proof was the social proof for Jeff Walker that was taking place right in front of these people. I am sure most of them didn't really get what I was doing. They thought they were just listening to a teleseminar and I was introducing this thing.

But it was these five "big name experts" that were creating the social proof for me. They were all joking with me, talking to me. They obviously knew who I was, they obviously respected me... and they were all talking about how they had used my product launch techniques. So this call did a bunch of things. It was a great way to build a list, and it also built a lot of reciprocity by giving that great content. And it also provided huge social proof for Jeff Walker.

It accomplished all those things, and it introduced me to the market.

So I gave them the three-hour call. Then I came back a couple days later and gave them the recording of the call. Of course, that gives my partners another reason to mail... more great content to mail about. That way I am continuing to build my launch list.. What partner doesn't want to mail about a free three-hour, pure content call ? Especially when they know they're going to get paid down the road for the people they refer?

Then a couple days later I put together transcripts. And the transcripts, unlike so many transcripts, were professionally edited and very clean and very easy to read. We spent hours and hours making those transcripts great.

So that was the third thing I gave out. I think it was a 60 or 70 page PDF. And most people said that this could easily have sold for \$97; it was easily a \$97 product. But again, I'm giving, giving, giving. And also I'm giving my partners something else to mail.

The launch for Product Launch Formula was possibly the highest risk launch of any that we're talking about... because the proof's in the pudding. Since my product was about launching products, then I had better have a great launch.

It was sort of like if you're doing a copywriting course, you better have a damn good sales letter. Or if you own a car wash, your car better look pretty good. Or if you're a personal trainer, you better not be overweight and out of shape.

So I was in a spot where I had better have a good launch. And since I was starting from zero with virtually no name and no list whatsoever, I had everything stacked against me.

Of course, the one big thing I had going for me was my list of friends who became partners. And the bottom line is with no list, and virtually no name recognition, my first product in the Internet Marketing niche... I sold 600 copies of a \$1000 product in the first week; \$600,000 in sales.

I did some very innovative things during my launch. One of the things that has been widely copied now was that I did a contest. Basically, about two or three days ahead of the launch, while the frenzy was building and people were getting very excited about this launch, I announced a contest.

It was basically, "Go to my blog and tell me why you need my course and how you're going to use it. And I'm going to pick out the best entry, and you're going to get a free copy of the course. I'm going to announce the winner the night before we start selling them."

So I announced that contest, and I think within 24 hours we got 470 different people entering into the contest. The way to enter was to put a post on my blog. So 470 posts show up on the blog virtually overnight. And these were serious comments... most of the comments were between 400 and 800 words.

In fact, I really didn't know what I was getting myself into. When I went to pick out a winner I had to have my assistant read them and narrow it down to the top 30. Then I went in and picked the winner.

That contest was wildly successful. Often there's a spark in a launch... when all of a sudden you're pouring gasoline on a fire. It just explodes.

Things are going along nicely, and then things just take off in a crazy way. And that contest is what did it for me. I'd been planning the contest for probably three or four months, and I didn't breathe a word of it to anyone because it was such a phenomenal idea. I knew it was just going to freak people out! It was just going to melt their brains.

In a way, the psychology was downright wicked, because I'm getting 470 people to spend anywhere from 30 to 60 minutes writing to tell me why they needed my course.

Rich: Right.

Jeff: When you think about that psychology, I am using the "commitment consistency" principle. The people entering my contest are putting a lot of effort into selling themselves on why they need my course. Then everyone else who is going to the blog is reading hundreds of people telling me why they desperately need my course.

Rich: It was very, very powerful, without a doubt.

Jeff: That was a big innovation in my launch and that idea has been widely copied since then.

Rich: There are millions of other ways to get commitment and consistency. That's the thing. I know it's like I'm harping on that point, but there have been lots of ways people have done it and there are lots more ways to still do it.

Another thing that you did really well was your Case Studies. You mentioned that earlier...

Jeff: Right. I had some killer Case Studies from people that had done great launches. And it's important to note that most of the Case Studies were NOT big-name gurus who were selling Internet Marketing stuff. Most of them were from people that no one every heard of. My friend Mike Long was the one who chased down all those Case Studies for me... he really pulled out their stories.

That's a key point, lots of times there are great Case Studies... but the people don't know how to deliver them. So you really need to work with them to make sure you get a great Case Study.

My launch was probably the first one to really hit the Case Studies hard. Reese didn't... he had testimonials coming out of his seminar, but they were just testimonials about how great the seminar was. He didn't have Case Studies. Kern didn't have Case Studies. Yanik didn't have Case Studies. I was probably the first one to really pound the Case Studies as part of the launch. You'll have to stick that in there as well.

Rich: Those Case Studies can be a really effective part of a launch.

Jeff: Right. These days I have a lot of people who want me to help them with their launch. Usually I say no, but occasionally I will say yes. I charge a LOT of money and take a piece of the overall sales... and I still have way more people who want my help. But one of the things I look for when I'm deciding whether I want to be involved is whether there are any Case Studies.

Rich: OK, what else?

Jeff: Well, another innovation in my launch was what happened behind the scenes with my partners.

The innovation I brought was I did a full sequence, almost like a launch sequence, to my partners. So the 30 or 40 or 50 partners I had were also getting email from me that was using all these principles; I was using the anticipation and scarcity. And the big one I kept using was social proof.

I also used competition. I got these guys competing with each other and really, really gunning for who was going to be the top dog in terms of sales, and in terms of referrals.

And also, every time a partner would do something innovative and maybe drive a lot of traffic to an opt-in and starting to see real success, I would put out an email to all my partners telling them how great this other person was doing. There was just a huge amount of social proof in the whole partner sequence.

So that was something that was brand new, but now you see people do that in virtually every single launch that's done.

That was a key piece to my launch, since my success was really driven by my partners.

Then I did another thing, which is just a tweak of an old idea... but it's a really powerful tweak. In my launch I did some Camtasia's; I actually did a Camtasia that revealed the price the day before the launch.

But the tweak I used was that in the video I had a testimonial. And instead of just showing the testimonial, in the video I actually opened up my email program and went and pulled up the email that had the testimonial. That idea of showing my email program was a great twist.. I got that idea from my friend Mike Long.

It was a way of presenting a testimonial in a video, but it just looks so much more authentic when you can open up your email program, and go to the email and open it up, and have that email show the testimonial.

Rich: And that's, like we said, that's how you make it your own.

Jeff: Yep. So my launch went really well and I sold 600 copies of Product Launch Formula in the first week.

And of course, that changed everything when it came to product launches!

Because all of a sudden, in the span of one week, 600 had all my product launch secrets.

Before that, it was just something that me and my buddies knew about. All of a sudden the greater world knew how to put these launches together... and things started to evolve rapidly after that.

Rich: That's an understatement. It really changed everything in terms of marketing online.

But why don't you talk about how it changed YOUR business. Let's make it a little bit more tangible. Now you had this list, now you had JV offers coming out your ears, and now you were invited to all the seminars. You instantly became a player.

Jeff: That's a good point and thanks for asking. Yeah, that's the piece that a lot of folks don't know... that I was behind the scenes for a long time. I'd been selling online since 1996. That's how I developed this stuff.

It wasn't like I just sat down one day and invented everything. It evolved starting in late 1996, and I was a slow learner so it took me a while. By 1998 I did my first launch that I considered a really big success. And then in 1999, I continued to do more and more.

Then in 2000 I did my first "six in seven" (in other words, I sold more than six figures in seven days), and continually added more and more components into the launch as I went along.

Then in early 2005, I had to make some big changes in that original business - because of legal agreements I have to be careful of what I say, but let's just say one day I had a business and then through no fault of my own, the next day I didn't have a business.

Now I know that sounds stressful, but the day that business... well when I hung up the phone I just laughed. I don't want to sound too flippant, but I knew I had the knowledge to build a bigger, better business in a very short period of time.

But it came to pass in 2005 that I needed to come up with a new business. So when I launched Product Launch Formula on October 31st, 2005, I was essentially launching a new business.

What that meant to me was that I sold in that first week 600 copies. In the next 12 months I more than doubled that number. So we're talking a gross of nearly 1.3 million dollars. And that's just in sales of Product Launch Formula.

I had other sales of other products, of affiliate products, of coaching; lots of other stuff that brought that number up much higher. Let's say more around two million total.

Now I can pick up the phone and I can get you on the phone for hours on end. I can get through to virtually anyone I want on the phone. I get invited to speak at the most prestigious, biggest seminars. I'm continually having people come to me wanting me to work with them in their business. The opportunities that are coming my way are enormous. The deal flow coming my way is just insane, which means I can just pick and choose which opportunities I want to work on.

But I have to be careful using the word "opportunity" with you.

Rich:

But really it's true. I mean, both you and I were "behind the scenes" players. I would go to a seminar and nobody would know who the hell I was, even though a lot of the guys on the stage were my coaching clients. In certain ways I liked that anonymity, and I thought I would prefer to stay anonymous.

But the truth of the matter is what you're talking about: the deal flow, the ability to get other people on the phone, the ability to be plugged in. When you do a launch and you get all that, in addition to the building of the business, the reputation, the goodwill, the list and all those kinds of things, they all kind of play into it.

Whether you want to be famous or not, there are all these other perks to being known in your market, no matter what the market is. You get the first crack at being a JV partner. You get the first crack at being exposed to new methods... there are all kinds of benefits.

Jeff:

Yes... and another thing is your "pricing power."

Your pricing power goes through the roof when you achieve the momentum and critical mass that you get from doing one of these launches.

Look at my coaching program. People paid a huge amount to be in my coaching program. If I hadn't done that launch, it wouldn't have changed me or my skills whatsoever. I'd be the same person, but the price I could get would be a tenth or a fiftieth of what I got for my coaching program.

My launch completely started a brand new business for me. I had never sold anything into the Internet marketing world. That wasn't my gig. I was telling

people what was going to happen in the stock market. I spent ten years talking about the stock market; writing, publishing, writing newsletters and creating products about the stock market. I was using all these marketing skills, but I never sold anything about marketing.

But it was time for me to do it. It was time to start a new business. I love this business; I love marketing. So I said, okay, that's going to be the business. So how am I going to do it? Well, I'm going to do it by making a big splash. I'm not going to limp into this market. I'm not going to put something out there and hope that I do okay.

"Hope" is the number one most-hated word in my dictionary, at least in terms of business.

I'm not going to just limp out a product and hope it sells. No. I'm going to figure out a way to make a splash to get people's attention, to get instant momentum; that's what a launch does.

Rich: And that knowledge allows you to do that.

Jeff: Right.

Rich: You know what I mean? If you took my business away from me, if you took your business away from you, just like you said, you already had your marketing chops honed. We would use a lot of the same methodologies; we'd just twist it for whatever the niche we were going after.

The question is, do you want to start out slowly, or do you want to start off with huge momentum?

Jeff: And another thing, if you start out slowly, there's a lot of danger there. There's danger that you might not be able to cover costs.

And there's also the danger that someone else can come along and beat you in your business. But if you do a big launch they're going to have a much harder time because you will have positioning. That's what your launch does for you.

Rich: Exactly. You're marking out your territory. And that was actually one of the main reasons I launched when I launched.

Some of the people I had been working with were starting to move more and more into teaching some of the same types of strategies. And while they weren't teaching them the way I taught them, I was getting concerned that someone else might do a launch and then be known as the guy that teaches strategic business to online small businesses.

I couldn't allow that to happen. Going slowly puts you at the mercy of someone who is willing to go fast.

Jeff: Spoken like a strategic coach.

One other thing I forgot to mention with mine is that I hit some of the email blacklists when I launched my product. Basically what that meant was that there

were so many emails flying around with my ProductLaunchFormula.com domain in them, that there were three different email black lists that were filtering anything that had my domain name in it.

I want to be really clear on this. I'm not talking about email FROM my domain. To this day I still have never sent a single email from ProductLaunchFormula.com. I have just never used that domain for sending email.

But there were so many emails being sent by my partners with that ProductLaunchFormula.com domain name in it that I ran into problems with content-based filtering systems. The way it worked was if my domain was even mentioned in the email, then it wouldn't get delivered to any domain that used that particular blacklisting service. A pretty good estimate is that on my launch day approximately one-third of the Internet could not receive any email with my ProductLaunchFormula.com domain name in it.

The whole idea of those content-based filters was something that was virtually unknown at that time. Some of the most knowledgeable people in the email delivery did not even know that this type of thing could happen.

So first of all, my \$600,000 in sales probably would have been significantly higher if I hadn't have been blacked out from a third of the Internet.

But instead of panicking when that happened, I did a couple of things.

First, I started working all the back channels trying to get off the blacklists. My very good friend Paul Myers helped a lot with that. I called up Paul around 3:00 A.M and he instantly got on it and worked this blacklist problem for the next three hours. Among other things, Paul's one of the most connected people when it comes to email delivery and the whole anti-spam community. People should subscribe to his newsletter at talkbiz.com.

So that was the technical side... I had Paul working on that right away. But the other thing I did was to use the blacklist in my marketing.

What I did was I pulled my sales letter down. My launch was supposed to be a seven-day launch and after about two days, I ended up shutting it down and pulling the sales letter.

Basically, I said "I'm not going to sell this product again until everyone can get my emails... and the reason is that we have a limited set of bonuses and it's not fair to the people who can't get the emails."

This was a very legitimate problem, but again, this is being in the moment and reacting to what's happening. I said, "I'm going to use this in my marketing."

So I ended up pulling it down and then keeping the product off the market for about a week, and then re-releasing it and going through another whole sequence. And in the middle of all that, while the sales letter was still down, I put out a full PDF report explaining this blackout issue, how it happened, and what people could do to avoid it themselves. You can still get the [Blackout Report here](#).

So I'm still playing on reciprocity, but I'm giving great content and I'm using it to set up an entirely new launch sequence... another countdown into another launch day.

Rich: But once again, you're proving the point. It goes back to a couple things that we have said...

One is that the launch is a conversation, right? You will always do better if it's a dialogue as opposed to being planned out ahead of time with no interaction.

The other thing is that you react best to what's going on when you really understand the principles. That way you see the opportunity in any setback, no matter what happens.

What a lot of people assume is that they can just copycat the same circumstances that happen with others. And to be clear, that will work... but it doesn't work anywhere near as well as being able to see the opportunity in your own particular circumstances.

So if you're just trying the reverse-engineer approach, and you get shut off by the blacklists like we're talking about here... you might not see that that was actually a way of being able to give people a taste of social proof and scarcity; that you can give people the knowledge that this really is being sent out all over the Internet.

If someone is just doing the cookie-cutter reverse-engineering thing, they might have just panicked and the whole thing might have just self-destructed. You know what I mean? When you know the principles, you see what you can use out of any setback..

Jeff: Right... you have basically internalized it all.

Rich: And that's why people need to buy your course. We are going over a bunch of examples of how people have done it... and I know I sound like I'm beating a dead horse here... but I see some people saying "I know the Product Launch Formula already because I've seen so many people do it," or they say "Product Launch Formula is overused."

Here's the thing. If you know the principles, they're not overused. That's like saying copywriting is overused. Wrong.

And you don't know how to write great copy because you read a couple of great sales letters.

Jeff: Absolutely. I've seen this, "It looks like another Jeff Walker launch. I've seen this. It's the same old stuff." So then they go and try to do it without really knowing everything that goes into a launch, and the results are not good.

It's like when we were in Las Vegas last October in that little workshop. I remember getting up in front of the room to speak and looking at the back of the room... back where all the "gurus" were standing. You know how it is at these seminars... the real players are always at the back of the room.

I looked at those people at the back of the room and every single person owned Product Launch Formula. And every single one of them had a launch that was at least a \$300,000 launch.

It was so striking. The people in the back of the room all owned my course and they had all done big launches.

Then these people that were sitting up front (and I don't want to sound like I'm putting them down, because I definitely remember back when I was more of a beginner) – but they were the regular attendees. And out of maybe 25 people, only a couple of them owned the course. The difference was just so striking.

Rich: You know, I think there's an argument to be made which is that copywriting was the skill to have in the days of snail mail. There was no interaction; you had to make the sale immediately.

I'm not saying that copywriting is any less important today, but what I am saying is that you need to know these product launch fundamentals. I keep going back to the fundamentals because that's why people need to know this stuff.

If you don't know these launch fundamentals and you are trying to market on the Internet it's like trying to write a sales letter and not know anything about copywriting.

It's a different marketplace. You couldn't do these strategies in a direct mail sequence. It would be very hard to do it with no interaction.

This is the new skill set, and it's critically important. And you can either think that you know these new skills because you've watched some other people do it, or you can learn from the masters, the guys who've taught them all how to do it in the first place.

Jeff: The interaction is critical. A lot of people don't get that. A good launch is like a conversation between you and your list, or you and your market. And you can't have a conversation unless both sides are communicating. You can't have a dialogue unless you are having a dialogue.

Rich: Right. It would be the equivalent of me going into a bar to try and pick up a girl with no change in my approach based on her reaction or what she says.

Jeff: It ain't going to work, ain't going to work.

Rich: Yeah, like first I'm going to tell her she has really nice eyes. Then I'm going to ask her if she wants a drink. Then I'm going to say, "Do you come here often?" and without any regard to what she says. What she says isn't going to change what I'm going to say. Well if I do that I'm not going to have much success.

The people that don't really understand your product launch techniques are trying to do the same thing. That's what these people are doing. They're going out to the market, and they're saying, "Oh, that's a good line; I'll use that line. Oh, that's a good line; I'll use that line."

Jeff: That's a great analogy.

Rich: And that's what they're doing. They're using like, "What's your sign? Do you come here often?"

Could you be successful this way? Yeah, I suppose you could. You just might run into a girl who has never heard, "What's your sign?"

But the odds are a heck of a lot better if you make it a conversation. The same goes for a product launch.

The reality is that what's much more certain and what's much more likely and what's much more profitable is making it a real dialogue. But you have to understand the principles to make it a real dialogue.

In this day and age, it's a dynamic sales process. We're in the 21st century, and it's more of a back and forth, and if you can't pull that off (and you can't if you're just copying stuff that you don't really understand), then you are going to be fighting an uphill battle.

Jeff: OK, let's move along... after my launch in late October of '05, the next up was Mike Filsaime in January, 2006.

Mike did a really good job of building the anticipation on a deep level way ahead of time. He mentioned it anytime he spoke at an event. He had it in his signature file on the various marketing forums. When he promoted my course, the bonus he gave away was a copy of his course... even though it was three months away from being released.

And Mike did a great job of getting partners lined up and salivating ahead of time. He did a great job communicating with partners. Mike took the whole thing of working with partners to a whole new level.

I mentioned that during my launch, I was the first one that really put together a killer launch sequence for my partners. Well, Mike was one of my partners and he saw that entire sequence... and he was completely excited by it... Mike was really very involved in my launch. We talked on the phone a lot through my launch. He saw me do that JV thing and he just took it to a whole other level.

Throughout December, he was communicating with partners. He had partners chomping at the bit wanting to promote. Towards the end it was like he could barely hold them back.

He was saying things like "I'm not going into the pre-launch until January 1st. I don't want you promoting until then." His partners were ready to go, raring to go. He had them completely amped up. He did a great job communicating with them ahead of time.

Mike put together a JV blog... that was an innovation. John Reese really brought the blog into the launch in a big way. He used an existing blog. When I did my launch, I came out with a completely new "launch blog." Now, Mike took it the next step and he not only had a launch blog, but he also had a JV blog.

The JV blog was basically just for JV partners and it was to keep them up-to-date on what was happening. The beauty is that it archived all the emails he would

send to the partners. This way, there was one place they could go and they could take a look. That was a real key.

Butterfly Marketing was a very partner-centric launch, even more so than Product Launch Formula or Underachiever or Traffic Secrets.

And here is one thing I don't want to forget to mention... a very interesting thing is that there's sort of a list of "A" players that John Reese and Frank Kern and I used in our launches. Let's put it this way – there was a group of people who were considered the top-tier JV partners. If you looked at John's top partners, Frank Kern's top partners, and my top partners, the list was very similar.

The interesting thing is when Mike launched, for whatever reason, he didn't get those people on board. I know a lot of them had other things going on so they couldn't promote.

But even though Mike didn't have that group of people who were considered the "A" list, he still did incredibly well. To jump ahead just a little bit, he had a \$1,000 product and sold about 1,500 copies in the first week. We're talking \$1.5 million.

And he did it without the people who were considered the "A" players. He had a whole different group of people promoting.

Rich: Yeah. I actually have a lot to say about that because I was his coach through this entire time. That was the thing that impressed me the most... that he sold a massive amount with partners that for the most part were really not that well known.

Here he had built a complete distribution network outside of the normal standard players. And it was super successful. And that meant that the next time he launched, it was likely that the other people would jump on.

This was another example of someone leveraging a launch to create a huge business... a multi-million dollar business. Butterfly Marketing and that whole launch really paved the way. It's another great example of how powerful a launch can be. It really has the power to be quite amazing if you take advantage of it and you're prepared for that kind of momentum that you receive.

Jeff: Exactly.

Mike did so many great things with his launch. For example, since the launch was such an incredible success without having the well-known names promoting, it meant he basically grew his own distribution channel with the launch.

Mike actually had one partner – Gary Ambrose - who sold a huge amount of product. In fact, he had more than six figures in affiliate commissions if I'm not mistaken. Gary is a really sharp guy with lots of experience, but he wasn't on anyone's radar as someone who could move that kind of product. Three months earlier when I launched, I didn't know enough to contact Gary to ask him to promote for me. But he sold a couple hundred thousand dollars worth of "Butterfly Marketing."

Gary was just one of the big surprises... there are a whole bunch of other people that Mike had on board that were the sort of people that no one had ever heard of before, but then did really well for Mike. And now all those people are big players... and since they did so well with the Butterfly Marketing launch, they are people Mike can go back to every time he rolls out a new product.

Mike not only did a million and a half dollars and built this business overnight, but a lot of the people that he brought along on his coattails all of a sudden had much bigger businesses, much higher profiles. That meant that going forward, Mike could always count on them to help promote his products.

Rich: It was a partner-centric launch to begin with, which I think is a good observation. If you want to build a distribution channel, one of the things that you must do is take very good care of your affiliates. And a launch like that can cement the relationship with your partners and affiliates.

Jeff: It grew their business for them.

Rich: Yeah, exactly.

Jeff: It's really pretty damn interesting... if you looked at my list of top affiliates and Mike's list of top affiliates there was zero overlap. And our launches were only three months apart.

It was amazing. There were all these guys that Mike really helped them grow businesses. Now they've got real business. Now, if Mike wants them to promote something, they're on board.

I know that people were stunned by what Mike did.

Rich: Not only that, but I told you - and we'll leave the name of the guru out of it - people at that time were saying, "Oh, product launches are tired," because they had seen Kern's; they had seen yours. There were a bunch of others. And the said, "That's not going to really work anymore."

Then Mike hits the ball out of the park and kind of proves that what works will always work if it's used correctly.

Jeff: Yeah. Another cool thing Mike did was "The Leaked Chapter," where he basically took a chapter out of his book and released it before the launch. It was leaked out. Actually, there was a bit of a controversy over whether it was intentionally leaked or not.

Rich: [Laughs]

Jeff: I can't even remember the details, but I completely trust Mike. I think he was planning on releasing it before the launch, but then it actually did leak out a little bit early. I can't remember the details, but Mike's a guy with a huge amount of integrity. I'm willing to go with him - if he says it was leaked, it was leaked.

This is a good general principle. I can't remember where I first heard this. But the idea of giving away a piece of your product to prove the quality of the product is always a great strategy. That worked very well for Mike.

Rich: That worked incredibly well for me in my launch. I would tend to totally agree with that concept.

Jeff: Right.

Another cool thing that Mike had was a big “joint venture contest” with a big prize list. I think the top prize was a Rolex. He also gave away TVs, laptops, iPods, all kinds of different things. I think I got a DVD player.

He leveraged the contest well – on his JV blog he had a video where he showed off the Rolex and a bunch of the other prizes. It was a great video... one of the things I remember in the video is that half-way through it he holds up a copy of one of the Product Launch Formula books and says “Oh, and I'm following Product Launch Formula” and I've been consulting with Jeff Walker on this launch.

Obviously, I liked that part of the video. ☺

Rich: Didn't he do a re-launch pretty quickly?

Jeff: Well first he did a mini re-launch. In the initial launch he sold the product it for about a week or so, ten days, two weeks. Then he pulled it off the market for a while. And then he did re-release it. That was sort of minor re-launch.

There wasn't much story there. It was just that, “This thing's available now again.”

The deal with a re-launch is you need to have a better story than during the initial launch. Because when you release a product for the first time you automatically have something of a story just because it's new.

But when you're re-launching it, there has to be something there. Generally, you have to work harder to come up with a good, compelling story.

He did sort of a re-launch. “Okay, the course is available now.” I'm sure he did great; made some sales - he probably made plenty of sales - knowing Mike. But then several months later, he came out with what you could call a re-launch or you could call it another launch because he pulled out one piece of the course – the manuscript - and sold that separately. The original course had a manuscript; it had a bunch of audio CDs; then it had his Butterfly Marketing software.

For this re-launch he repositioned the offer. He sold just the Butterfly Marketing manuscript. You didn't get the software; you didn't get the CDs. He launched that as a \$97 ebook. In the original course it had been a physical book. Now he's selling as an ebook \$97.

He sold the ebook via ClickBank, and he had a wonderful launch just by getting everyone and their brother to promote. All of a sudden, he made thousands of sales.

These are people that watched the initial launch and couldn't spend \$1,000. Now, he split out a piece - another product - and BOOM! He's got instant momentum again. The really beautiful thing was once people bought that

product, then he made a one-time upsell offer for the full the course for \$1,000... he sold a significant number of courses there.

Rich:

That upsell process was two levels. If you wanted the physical course, which is what the first offer was, it was \$997 but they applied the \$97 from the ebook purchase towards the \$997. If you said "no" to that, it made you a second-tier downsell offer, which was, "You can the entire course as a digital download for half the price."

That upsell and then the downsell added a huge amount to the bottom line.

Obviously, when you have a lot of people taking an upsell at \$900 and a bunch more taking a downsell at \$500, it really boosts the numbers up quite a bit.

And that is not where the story ends at all because he sold over 1,000 units the first day - well over 1,000 because I know I sold like 400 copies or something like that just from my one email... and that shot him up to number one in ClickBank the next day.

Now he was number one on ClickBank, and all of a sudden he continued that same level of momentum for quite a while as he attracted more affiliates from Clickbank just by being at the top of the listings. The affiliates are looking through there for the top performing offers and they think, "Here's a \$97 product. It's selling like crazy. And you get 70% commissions."

It was an incredibly well-orchestrated campaign. But the basis of it - what got it all going - was the initial product launch.

Jeff:

Right, the whole thing was set up by his huge launch in January. Everyone and their brother in the market knew this was a \$1,000- or \$1,500-product. Some of them salivated because they couldn't spend \$1,000. So, he comes out and scratches that itch with a \$97 product. And then he hits them with the upsell and downsell offer. It was orchestrated just perfectly.

Okay, so moving along... next up was Serializer 2 by Frank Kern. That was just a couple of months later.

Remember, Frank had done that original Serializer in October and sold 37 seats at \$10,000. Now he's coming back and had the other 63 seats to sell.

It was almost like the second half of the launch. Those first 37 seats had sold out so fast that most people never even got a chance to look at the sales letter. That sales letter was gone in the first ten minutes.

So, there was still plenty of pent-up demand. Remember that Frank had actually refunded ten people from the first event because it had sold out before he could pull down the sales letter. He gave back \$100,000 in refunds.

So he had incredible scarcity working for him, and he also had this fantastic positioning of someone who really does stick to his numbers. The second time around, it was just more of the same. It was teasing the scarcity, coming back and telling them about the scarcity and how the first event sold out so quickly

For that first launch he had shown all kinds of proof of the results he was getting. The second time around he just went down that road again and emphasized how well he was doing.

The cool thing with this one was, a couple days before the launch, he said, "If you absolutely cannot be at your computer on launch day, then write to me and tell me why you can't be at your computer. We can probably arrange something ahead of time."

Well, amazingly enough, there were a lot of people that couldn't be at their computer on launch day that wrote to Frank. So by the time he got to launch day, he basically had just about sold out those 63 seats. There were a few seats still left but it was mostly a sell-out before launch day.

Rich: Right.

Jeff: Because he was selling a \$10,000 event, anytime you're making a \$10,000 sale, there is often some handholding before the sale. It's high-ticket. With that type of pricing and with 63 seats, you could have that back and forth.

Mike Filsaime selling 1,500 copies of Butterfly Marketing at \$1,000 - you can't do something like that. But Frank was able to work it that way.

Going into it - sure he had sold out the first Serializer. But I guarantee you - and I know this for a fact because I had plenty of conversations with Frank leading up to this launch - he was like, "Man, I just don't know. I just don't know. That first one sold out really well, but it's three or four months later. I just don't know. Is it going to sell again? Are there 63 more people that want to go? I'm not sure. I'm not sure."

So, floating out that idea that, "Contact me ahead of time if you can't be at your computer" - that was a great idea. I guarantee it put him in a warm, happy place.

Rich: Yeah. I haven't been privy to anywhere near the number of launches that you have, but I will say that I had the same level of doubt and concern. I would think it would be somewhat common... wondering if it's going to do well.

Even for people who have hit it out of the park, they are just like everyone else.

Jeff: Right. I want to be clear - Frank is a real pro... and the sign of a real pro is that you aren't overconfident. You go into the launch a little nervous, wondering if you have done everything that you could of done, everything that you needed to do. You can't be complacent.

OK, next I wanted to mention Jason Potash and his Portal Feeder. Jason had done a launch earlier with his Article Announcer... and that was a really nice launch, but there wasn't too much groundbreaking material in it

But then he came out with Portal Feeder and that added something really cool that Jason called "the-front-of-the-line pass."

This is one where Jason and I got on the phone, talking about it, brainstorming it, trying to figure out, "What's the thing that we could do that would really amplify this launch?"

He had a lot of excitement going on with this launch but we were looking for something that could really spark the scarcity.

I said, "You know how at Disney World, there are two passes you can get. You can get the regular pass or you can get the other pass that sort of lets you reserve your spot for each ride. Basically, it lets you cut to the front of the line when your time comes up."

I'm like, "What if we put together something like that?"

So, we brainstormed around that for a while and it seemed like a really good idea. Jason went and got it programmed. When he got the coding done Jason took it one step further. When he had it coded up, he added some really cool tweaks to it.

The idea was that he would have something of a launch just to get on this super priority notification list. He told people about the front-of-the-line pass, and he told them when they would be able to join it... something like "You can join this special front-of-the-line pass as of Saturday at noon. We're only going to allow 1,000 people on that front-of-the-line pass."

"So many other launches we've seen servers going down and stuff like that. We're going to create this super high-priority list and then those people on that list will get a head start for this launch and get first crack at all the bonuses and first crack at this launch offer."

The idea was we're building this big frenzy and getting people all excited just about it – but it was almost just a trial run for the launch. This was just a way to get on the list so that they can get to the launch before anyone else.

If you think about it, we were really tightening the screws on them. We were saying, "This launch is going to have so much scarcity, and it's going to be such a big deal, and it's going to be so hard to get the special bonus offer that we're going to make you jump through the hoops a week before the launch just to get on this limited list."

Well, I mentioned that when Jason got it coded he added a tweak. What he did was when you went to the site the web page actually showed the names of everyone who had already joined the list and gotten their front-of-the-line pass. And it had a real-time count of how many spots were already gone and how many there were left.

This was REALLY powerful scarcity AND social proof. There was something like 1,000 passes spots available on that front-of-the-line list... and it worked just like magic.

I'm going to guess that it was only an hour or so for that list to fill up... to get those 1,000 spots filled. And everyone could see it happen in real time, "Oh boy. Those 1,000 spots are already gone."

This did cause Jason some pain because a lot of people missed out – and they were upset. They went on the forums and were ranting about how they wanted to get on the list and they couldn't get on. It really did create a firestorm, which I know Jason felt bad about. But I was like, "Jason, this is good! This is a good thing. Don't feel bad about this."

That piece of software that they coded was just a wonderful idea and it really amplified the launch. Jason did great with his launch. That's just an example of what we've been talking about - bringing something else to the table.

Rich: Yeah. Definitely.

Jeff: So, next up is your Strategic Profits launch.

Rich: Well, why don't you describe it from your perspective since you told us about all these other launches? Then I'll just fill in all the holes.

Jeff: My perspective was...

Rich: You were intimately involved in this launch, too.

Jeff: Well, you know, it's sort of funny because you and I really got to know each other working together to do a promotion for my product and to help warm up your list. We probably spent ten, twelve hours on the phone - more actually, if you add up the time planning it out.

Most people don't know this, but we did three or four teleseminars. One of those was a four-hour teleseminar. We spent a bunch of time on the phone. It was obvious that we saw eye-to-eye on a lot of things. Then we basically swapped out coaching. You helped me with strategic coaching. I helped you with your product launch.

We talked through this launch, talked about what was coming. But then you went off and created your Internet Business Manifesto and that, I think, is probably the single best piece of pre-launch content that's been released to date. It was a lengthy PDF that taught people why they weren't having more success in their Internet marketing businesses. I don't know how long it was, but it was very meaty. It had to be 40 or 50 pages.

Rich: I think it was like 40 pages or something like that.

Jeff: Yeah. It was better than just about anything else that had been published about Internet Business from a strategic standpoint.

We had some discussions about the launch, then I went off to Europe with my family... and you released the PDF while I was gone... and all hell broke loose. I came back from Europe and you were like, "Jeff, I need to get you on the phone."

I remember I was completely jetlagged. It was like 5:00 in the morning or something. I hadn't been able to sleep. So, we got on the phone and you started telling me some of your numbers.

In terms of downloads and opt-ins - and you're still a week or two from launch and you were already up to 20,000 or 30,000 opt-ins, which is bigger than any pre-launch list had been at that point. This was way beyond what anyone had done.

I put 8,000 people on my pre-launch list. Jason Potash had put 3,000 people on his pre-launch list. John Reese - I don't know his numbers, but they were very small. All of a sudden, you're coming out and putting 20,000 or 30,000 people on the list. It was like, "Holy Cow! This is going somewhere!"

Another key piece is you had a higher price point than anyone else. Everyone else was selling around \$1,000 (well, Frank Kern was at \$10,000 deal, but that was a very limited quantity). You're coming out with - what was it? \$5,000?

Rich: It was \$5,000 if you paid in full, and \$6,000 if you paid in payments. As soon as they made the first payment, we made them an offer that they could still get in after the first week. After the first week - after I'd kind of proven myself - after the first week that we went live, I gave them the opportunity to pay the rest off in full. So they would save a grand.

The overwhelming majority - my assumption was that most people didn't pay the \$5,000 just because they wanted to play it safe. The rest, for the most part, all jumped pretty quickly into that number.

Jeff: My perspective on your launch is it was similar to mine in a lot of ways. One big way was just the positioning. Going into this, you were not very widely known.

But you WERE widely known among the top-tier players in the Internet Marketing world. You had huge respect from them. You had worked with a lot of them and helped a lot of them.

You had great case studies.

Basically, your positioning and my positioning were almost identical in that way.

Also, your launch was extremely heavy on delivering great content ahead of time. Both of us went about it the same way.

Coming into that launch, you built this huge list; you had all kinds of people promoting for you. Bingo! You had a limited number of seats at \$5,000. You sold out...

Rich: Very fast.

Jeff: Within hours.

Rich: Yeah... two hours. It was two hours and fourteen minutes or something ridiculous like that.

Mike Filsaime came down to hang out for the day because we figured we'd be up all night watching the sales come in. I went out food shopping. I bought lots of steaks and what not because I figured we would barbecue. It was really nice

down here in Florida around that time. Two hours later, we had to turn the thing off and we were like, "Okay, now what?"

Jeff: It's funny because about an hour into the launch I called down to you and Mike Filsaime picked up the phone and said, "Product Launch Headquarters." ☺

I'm like, "Mike, what are you doing there?"

It was just sort of funny.

Rich: I think that if there was one piece that really sparked the whole thing for me and really helped me build my business, it was the free report, which I did only because that was the first thing to do in a product launch.

I worked on it for a while. I didn't just tear it out in two days and send it off. Actually, there were some last-minute changes that I think really added to the mix. For example, I sent it off to David Frey. He sent it back and said I needed to work on the design and make it look better. He was right - the slides were all black background because that's how I present them to my coaching program. He's like, "No one is going to print this. It's too black."

So I had all the slides redone by a designer. I think even little stuff like that meant a lot because it made the whole document look a lot more polished.

Then the other thing was that there were a lot of potential JV partners that said "no" to me at first.

I said, "Okay. Cool. I understand." Whatever their excuse was, I said, "Well, let me send you a copy anyway because I'm really proud of it. You might enjoy reading it if you get a chance."

I had quite a few people call me and say, "You know what? I really like what you wrote here. I'm going to send it out anyway."

There was one person who was actually in the middle of his own launch, but he was willing to mail it because he just really thought it was that good.

In fact, the report was so well received that it took on a viral aspect. People started passing it around, blogging about it, linking to it... and these were people who were NOT affiliates.

At one point - I don't know if they're still up or what the deal is - I think we had about 4,000 links to that download page that were not affiliate links, that were just from people's blogs and then other people taking other people's blogs. To this day, it still gets us lots and lots of traffic.

When I look at how the payments broke out, a large group of buyers who came for the first - because we did a second launch right behind it - were not from affiliates but from the viral traffic to the PDF.

That, in my opinion, should give anybody - I don't want to say "hope" because I don't think "hope" is a strong enough word. I think some degree of conviction that if you're where you're supposed to be in your business... then you should be able

to put out some great content. And if you do that, then it can really take on a life of its own.

Jeff: Right.

Rich: I had some great JV partners, but the overwhelming majority of the first program's sales actually came from the viral side. More so than the JV side. Then it went the other way on the second program.

I think we did a lot of things right - but I think more than anything the success of that launch was because I put a lot of time and effort and energy into that first report.

If you're writing a sales letter, the most important part is the headline.

I think in a launch, it's not necessarily the most important part is the first part... ???? and that's usually pre-launch content. You want to knock people's socks off.

We got all our momentum from that piece. I didn't even ask affiliates to mail for the second piece of content.

Jeff: Well, you know, one thing I wanted to ask you about was in your PDF, in the "Internet Business Manifesto," the first page had that fantastic graphic. I think you could have just had 40 blank pages after that graphic. It was so powerful. The greatest headline I've seen in the last year was that graphic.

For the people who haven't seen it, Rich is teaching strategic business development. This graphic showed - in the middle I think it was in pink or red, was a box and it said, "You." Then around that, there were probably 100 other boxes branches out from there showing all these functional areas of business.

The implication was that most Internet entrepreneurs are sitting there trying to do all of these 100 different functional areas themselves without any strategy or any help. They don't even realize they're doing it. I think that was the key. People are doing these things and they don't even realize they were doing them. It shows how thin they are stretched.

That one graphic - and in general I love text a lot more than graphics - was incredible. It communicated the problem so succinctly. It was powerful.

Who came up with that? Was that you?

Rich: Yeah, I came up with it. The graphic itself I came up with. I had a designer work with me on it a long time ago.

I touched on this earlier... for me the things that I've always been most successful with is to pick out things that have been the most frustrating and burdening to me and have the ego or self-confidence (I guess it just depends on how you look at it) to assume that everybody else is experiencing the same problem.

But I know that when I came up with that graph a year ago or two years before I released it in the "Manifesto," that was my way of graphically depicting all the things that I was trying to do by myself before I realized what a big mistake I was making.

It all came about because I had spent an hour or two hours arguing about a \$100 additional charge on the phone bill of mine. That's when it finally clicked. Because I felt like there was no choice. I couldn't let them overcharge me by \$100.

But on the other hand, my time was worth more than \$100. Here was this quandary. I had had companies of 100 people before. But I had so bought into this idea that I was going to build this Internet business that I was not going to have any employees.

Sometimes I can be really thick and I don't see the obvious, like when a girlfriend broke up with me in college and all my buddies were like, "Oh, I saw that coming."

I was devastated. I didn't see it coming at all.

It's the same thing. I was just pursuing this lifestyle that really, in my opinion, is fictitious. And I paid a heavy price for it. When I realized that, then I sat down and said, "Aside from dealing with the phone company, what are all the things that I'm supposed to be doing?"

Then I started writing them all out and that was the basis for that map.

There are a lot of other interesting things that I'll share with you. I don't know what's useful and what's not. I think one of the first conversations that we had way before the actual launch was the fact that I had written this piece, the "Manifesto," and it actually had taken on a life of its own. It went way beyond the launch, which is why the list grew and all this stuff happened.

So, I got very concerned for two reasons. First, it actually got off to a slow start. The first day when people mailed for it, nothing that amazing happened. But then it started growing and growing and it started growing at a very fast rate. We were getting like 8,000 opt-ins in one day.

But, it peaked really quickly. It peaked and then it started slowing down and went from 8,000 to 7,000. Not that 7,000 is a bad number. But the trend is a good indicator of what's happening and it kept going lower and lower.

I got really concerned for two reasons...

First, I wasn't sure whether the people who were opting in had any interest in working with me, or because they just had heard great things about the Manifesto and wanted to download their free copy.

And second, I was really concerned because we had two or three more weeks of promotion and the Manifesto was already dying down.

I had originally planned on releasing some videos... but I was really concerned. I felt like I had to do something else to keep that momentum going. That's when I spoke to you.

We had a decision to make - I could release the videos and that would be okay or I could kind of take a risk. Somewhat of a calculated risk, but a risk. I could write another report. The risk was that if it wasn't that good, I could look like a one-shot wonder.

But the plus side was I knew that if I wrote another really great report, I would definitely hit it out of the park. After I figured that out, I had no idea what to write about.

The Manifesto was actually from my presentation that I had given twice from the stage. I really knew that stuff. It was stuff that I had been teaching for quite a while.

I really didn't know what to talk about... but you and I talked and we decided to go back and ask everybody who read the initial report, "Now that you've read it, you've seen the success of my clients, what do you think stands in your way?"

That was huge. I got a lot of responses about what they thought still stood in their way. From that, I wrote "The Missing Chapter." It really was a missing chapter because I had no intention of writing it.

It wasn't written before the launch or anything like that. It was a response to what people were asking. When I started mapping out all these different responses and looking at, "What's the common theme here," I realized that the common theme was most people were in the wrong business to start with.

That gave me really good footing to write a second report, and that's why it was called "The Missing Chapter."

This is where I started doing stuff a little bit differently than I think a lot of people have done in launches. It was easy for me to do because we already had a lot of momentum.

The first thing I did that was really different was we didn't ask partners to mail on that second report. We just used it for our launch list - we sent them back to get the second report... and there was no cookie on that second report whatsoever. I didn't feel it was right for me to go back to my affiliates and say, "I'm writing a second report and if you don't mail for it and someone else does, they're going to take your sales."

Jeff: Right.

Rich: I probably would have had a lot more traction because I would have gotten everybody to mail. But I just didn't think it was right. I didn't want the affiliates who had jumped on board early to lose out... so I choose to not make it a cookie page.

Then we released more content before the launch. We took a video of a talk I had given at the Big Seminar. I was planning on selling that at some point and doing a bunch of stuff.

We just said, "Screw it. Let's just give it away for free."

So we posted this video and to this day, as recently as today, I got a trackback from some blog talking about, "Check out this great video. It shows you how to succeed online."

I think it's been watched over 50,000 times. In the first three months alone, I think it was watched over 40,000 times. It actually hit the top 100 of Google's videos - which for an hour-and-forty-minute video on building businesses - that doesn't happen too often.

This was all because of that momentum of the launch. Then you suggested the front-of-the-line pass... so Jason called me personally and offered to let me use his software for it.

We did that primarily to keep the momentum going, but also because I was still concerned. I had no idea how many people were on this list because they liked my writing and how many people were on this list because they were interested in possibly being a coaching client.

Jeff: We talked a bunch but I can vividly remember three different conversations. One was that jetlagged morning when I had just gotten back from the UK. You were thinking about doing the videos and we did talk about, "Instead of the videos, how about another report?"

That's when we decided to move out the launch, too. The whole positioning is going to be that you had so many questions coming in, that you felt you wanted to answer these questions... because once you got busy coaching, you were not going to be able to be doing these free reports - you would be too busy.

The other conversation, I remember I was sitting on my couch in my living room, was you, and Dan was on the line too (Dan Caron is Rich's right-hand man. Dan was heavily involved with the launch).

The conversation was, "We need a spark. We need something to tell us where this is at. Right now it's just downloads. It seems like things are going good, but we need a spark, something to freak people out and get them super excited."

Then I suggested that idea, and Jason came through with the software.

Rich: Yeah. I was like, "Well, that would be awesome."

The bigger thing was that I really wanted to know where we sat. I had to fly that day to Chicago to help out Agora with something. When I got on the plane, we hadn't released the front-of-the-line yet.

When I got off the plane, about 2 ½, 3 hours later, I don't remember. The front-of-the-line was well underway and I called Dan and said, "Where are we at?" He was like, "We'll be full in the next couple of minutes."

That was a huge relief. Because we were doing it so publicly... we were adding the names, and so you could actually see each name as it was added. That really worked so well, because we added the names between the headline and a little bit of body and the opt-in, especially as it got later and later and you started to have to scroll longer and longer to get to the opt-in. The scroll was long enough that it was actually updating as you were scrolling.

You would actually see names being added. A lot of people told me that they sat there, even after they opted in, for a few minutes, to just watch how quickly the names were being added. And they saw their name being added, so they knew it was legitimate.

They would go through and also try to figure out if they knew who any of the other people were, because it listed first name, last initial, and then country.

So, there were some people that people could recognize because of their names and what not. So that really invigorated the whole campaign.

Jeff: It's massive social proof. There is scarcity there, but really, it's massive social proof in real time, happening right in front of people. There is no real way you can fake it... I mean, I suppose you could but it would be very hard to do.

Obviously, when they see their name pop up after they opt in, it's obviously not a fake. It's just massive social proof. So in a couple of hours, we are going to put a thousand names on here, right in front of your eyes.

Rich: Just from my own list, too. Not even from anybody JV partners.

Jeff: And that was just a couple of days before the launch. So obviously, the timing was just perfect. Let's just see who is interested in coaching... and bam! There's a thousand names, just like that. And, how many spots were available?

Rich: There were 150 spots. I only wanted to sell 150 people because I was personally coaching all these people. I didn't want to sell any more than that.

But by the time we pulled the plug, it was already at 187 because so many people had the page cached. They had already been on the page and so, by the time it was all said and done, I think we sold like 187. So we did like \$960,000 in that vicinity, close to \$1,000,000.

We thought it was actually a little over \$1,000,000 but when we did all the numbers, a couple of the things had been counted. There was \$960,000.

But then, we did that re-launch of the same program, but no personal interaction with me. Just live Q&A calls instead. So we did like a million from the first launch, but a week later - and it was exactly a week, like Tuesday to Tuesday - we did the second -launch.

The second launch had that same feeling of scarcity, even though there really wasn't any because there were thousands of spots for that. My goal was to sell 500. We sold between 550 and 600. We did about \$2.5 million from that second launch... so the total of the two launches was right around \$3.5 million in about a week's time.

It was intense. And really, it was such a huge cash flow and, for people who don't really know that much about business, when you bring in that much cash that quickly, you have to also figure out what you are going to do with that cash.

If you don't, you are going to be writing a very big check to the government. So, for me it was a no-brainer to use that cash flow to build out my company. Even now, I have a staff of about twelve people and with just the money still coming in from the program, we have another five months where we are profitable even if we don't earn another penny.

We still have that much coming in each month so that, even with these twelve people, even buying servers, even buying all this stuff, moving offices, developing new systems, we are positive cash flow without bringing in one additional dollar in sales.

When people understand the significance of that, the significance of being able to build out a whole company and be profitable just from the launch... well that's pretty much unheard of.

Jeff: Right. With your typical start up, if you don't have outside capital, you are bootstrapping. That's where you make the company fund itself out of sales. Usually you do that by scraping by and starving yourself for a long time.

Well, I guess you are still bootstrapping... but on an entirely different level.

Rich: We are bootstrapping but the difference is that it's just like we've been funded.

For example, I brought down a guy who had worked for me in the past, and I put him on a mission to find me some really talented people. He found me great people.

You are not going to get great people for cheap money, no matter who you are.

Jeff: And the other thing... even if you had the money to pay them, if you are sitting there in your little 10 foot by 12 foot office with one computer and no momentum, they are not going to come work for you.

Rich: Right.

I mean, my CEO was a corporate turnaround guy. When the banks had a \$10 million loan that they thought was going to default, they would push the owners aside and hire this guy to come in and save the business.

So this guy flew around the country for years, saving businesses, but wanted to settle down and not have to fly around any more, so he could spend more time with his wife and kids. So I got him to come on board.

The person who is in charge of content, she was in charge of Donald Trump's content and she wanted to come on board because she read the Manifesto and she felt it really spoke to her.

I got this guy who ran a direct response agency, Duane, to come on board to handle marketing because he saw the momentum.

I was able to quickly build an all-star team, all because of the launch.

This year we are projecting to do over \$10 million and I really believe we will far surpass that. It's only because of the launch.

My business was doing well before, but it wasn't doing well like it does now. It really transformed everything. I think that a product launch has the power to do that. If anything has the power to do it, it is a launch. I don't think anything else is going to give you the kind of momentum that allows you to really ramp up the way a launch does.

It did it for Mike, it's done it for me. It certainly did it for the one to follow: Brad and Andy.

I got to witness those launches pretty closely as well as mine. In all three cases: mine, Brad's, and Mike's, we all built real businesses, real quick. Faster than most people could, but only because of the power of the launch.

One other thing we've talked about... almost all the major launches were delayed or pushed back for one reason or another. But primarily, you could say that the reason was the marketplace was telling them to push it back.

Jeff: Right... you have to launch when the market is ready. If the soup isn't boiling yet, then it's not ready.

Rich: That goes back to that whole dialog thing that we talked about. It's what makes this whole process so powerful.

Basically, the launch leverages all of what new technology has brought to the table into a much more efficient, much better sales process.

All the great copywriters will tell you that one of the best ways to get good copy is just to have a tape recording of the best salesman selling it. But a sales letter still has a very difficult time recreating that effect, because it's still a one way conversation. You never know where the prospect is at mentally when they are reading your sales letter.

On the other hand with what you have come up with in the Product Launch Formula, behind all of the technology of the Internet, blogs and videos, instant emails, etc. is a method where you can communicate with your market throughout the sales process... and it doesn't cost anything, or it costs marginally. It's almost like taking it back to a live sales person.

It's taking it back in a way that is more sophisticated. A successful product launch really takes print selling right back into a dynamic process.

Jeff: It's like a live sales presentation, except you can do it to 1,000 or 10,000 or 100,000 people instead of one.

Rich: Which gives you the ultimate amount of leverage and a much higher conversion rate.

Jeff: There are three major things that are different with selling on the Internet. The cost structure, the interactivity, and the speed.

If we take a look at your launch, what would it cost you to put a 40 page report into 30,000 people's hands? It would be very significant. Based on what you did, it would have still been worth it... the cost would have been large and there would have been significant risk.

And then you were able to get instant feedback within a few days and turn around and put another report in their hands. You wouldn't have been able to do that with direct mail, or any other direct marketing medium, because you couldn't gather the feedback that quickly, and you couldn't get another report printed and delivered to them in that kind of time frame. It just wouldn't happen.

So there you have the cost structure, the interactivity and the speed all working for you.

Rich: Another thing is those psychological principles that you talk about in Product Launch Formula... there are things you can do online that you just couldn't do offline.

For example, look at social proof. When people come to my blog, they see what is going on from all the comments. You can't do that offline.

What you've done with the Product Launch Formula, in my opinion, is you've taken the sales letter process and brought it back to a real selling process.

That has a lot of benefit for everybody involved, even in my situation. I made \$3.5 million, I got to set up my company. But that was all on the basis of about 700 or 800 people buying my programs. We had, I think, when it was over, about 40,000 people download the manifesto itself.

So there are still 39,200 people that got the benefit of all that material to use gratis. That's cool with me, because I got what I wanted. I don't have any problem with the market getting what it wants.

Jeff: A lot of people, especially in the Internet marketing space, really complain about these launches and the number of emails about them. But they don't look at all the great free content that gets disseminated during these launches.

Rich: Well, all great launches have that degree of commonality.

One of the things in my launch - it occurred to me that no one was buying a \$5,000 program unless they had read the Manifesto. So now, the question was who was going to get credit for the sale?

I had specifically told people that I really didn't want to see any crazy type bonuses that make no sense with my offer.

Ultimately, I didn't want someone who hadn't mailed for me at all to now mail on the day of the launch and steal the sales from the people who had actually mailed for me and had supported me all through the process.

If you are really going to build a business out of it, you have got to protect the people that are going to help you build it.

Jeff: Absolutely. When you are going out to recruit partners, explain this to them ahead of time. I worried about this a lot during my launch. When I went to my partners, I told them how I was going to track it. I gave them all the details . “We are going to track your referrals by cookie, by email address and by IP. We’ve got triple tracking here.”

In the future, when we mail these people, we are going to be mailing them back to your link. We’ve got your links stored right in their Aweber record and so every time we mail to them, we are going to be reactivating them for your... sending them to your dedicated link and reactivating your cookie.

Like you mentioned earlier, in this market it’s not easy to get people to promote for you. I think the launch makes it easier, but still, there are more promotions out there than there are spots for people to mail for you. So, if you do truly watch out for them, then be sure to tell them that. Explain it and show how you are going to do it.

Rich: Yes, because the alternative is have a great launch and then never be able to recreate your success. That isn’t a whole lot of fun.

I found that most of the people with big lists in Internet marketing, while they already understand the JV concept so you don’t have to sell them on it, they also get way more JV offers than people in any other niches do.

So much so that it’s really difficult to break through, because they don’t need you. There is always going to be another offer. If they don’t mail for you, there is going to be something else.

In my experience it’s been easier to get JV partners in those niches outside of Internet Marketing that most people don’t know about.

Then it comes down to if you put out good stuff. If you go to a JV partner with a great report, and say, “I would like to give this to your reader list for free and, by the way, if your people end up buying something in the future I am going to pay you a percentage...” well, that’s a no-brainer decision for the affiliate. You want me to send out this free ebook and I’m also going to get paid \$100, \$200, or \$1,000 just because I gave them that free book? Sign me up for that.

Jeff: That’s the golden combination right there.

Rich: Yes, and I think that’s an offer that can’t get played out.

If someone came to me tomorrow with a great report that I read and I was like, ”I read this and I learned a lot.” And he also told me, “You know, send it to your list and I will track the visitors and if anybody buys something when I launch, I’ll give you a piece.”

That’s a great offer. I’d even move stuff that was slotted if the report was that good, I read a couple of books a week. There are print books that if the author

had a program behind it, and said “If you will mail my books to all your clients and if they buy, I will give you “x” percentage of this.” I would do it.

You’ve got to make it irresistible. And if you do, the effectiveness of that kind of offer never dies. That will always work, and it will work exceptionally well.

Jeff: Okay, let’s go on to the StomperNet launch. So you launched in what, July or August, right?

Rich: Yes.

Jeff: So you did approximately \$3.5 million, the biggest launch to date – you really hit a home run.

The next big thing was StomperNet from Brad Fallon and Andy Jenkins.

Brad and Andy had been working with people, teaching them basically e-commerce, how to sell e-commerce mostly through getting traffic from natural search. They had some great case studies... and they built on that.

They took a lot of great case studies, they delivered great video content coming up into the launch. They also upped the ante in terms of price. I think it was about \$800 a month for a year.

One thing they used very effectively is what’s now being called the “reverse squeeze.” That’s where they put up content that people could access without opting-in to their list.

They certainly weren’t the first to do this – to my knowledge that approach was really pioneered by John Reese. And Jason Potash did it as well. In any case, they put out some compelling, lengthy, meaty videos and they had partners send their lists directly to those videos, with no opt-in required. Then at the end of the video, there would be a promise of even more content, and more videos if you opted-in.

So, the reverse squeeze is instead of squeezing people for their email address right when they get to your site, you turn that around. You give them some very solid content and then you promise them more content if they opt-in.

I think that this can be a riskier strategy – you really need great content, and it has to be compelling enough so people want more. When this strategy works, it can work really well... and it can go viral. And that’s what happened with Stompernet... it worked really well, and it went viral. They got a lot of pass-along traffic.

This was a very lengthy launch. They delivered lots of content, and they built lots of anticipation. They also did a good job of creating a feeling of scarcity. I can’t remember if they ever gave an exact number, but they only had a certain number of spots available for sale. So they created scarcity with the limited availability.

The bottom line is they had a great launch.

Rich: That launch really closed strong. Right before launch, all of a sudden, it picked up huge momentum. I was in San Diego at an event a week before it was supposed to launch and it didn't seem like anybody was talking about it. I didn't see any blog posts about it. There wasn't any discussions about it on any of the forums. I saw nothing.

Then, it's like I blinked. Maybe a week went by, they pushed back the launch and the next thing I knew, everybody was talking about it. Do you know what happened in that time?

Jeff: Well, there were a few things...

First off, they had built a very large pre-launch list. I can't remember the exact number, but I'm pretty sure it was over 30,000 people. It might have been significantly larger than that, I can't remember.

So to an extent, that put them in charge of their destiny... just like you were in charge of your destiny when it came down to launch day.

That meant that to a large extent they could control the discussion.

Second, they had some great controversy leading into the launch - this controversy with "The Rich Jerk," this guy who publishes this ebook who's known as "The Rich Jerk." He has a very controversial reputation, and he came out really slamming Brad and Andy.

Of course, he was planning on promoting for them all along. But the Rich Jerk often does things in a very different way... and he came out really slamming this whole idea of Stompernet.

Well, the "Rich Jerk" has a lot of people watching and following him, especially in the online forums and stuff. That was the start of the controversy.

Then on the other side they had Sydney Johnson who teaches people how to make money on eBay. Sydney is an ex-school teacher with a very distinct no-nonsense personality. Sydney came out with a video defending Brad and Andy from the Rich Jerk... and really slamming the Rich Jerk.

Sydney is someone who was a student of Brad and Andy, and she was one of their case studies. They had "The Rich Jerk" attack them, then they had Sydney come to their defense and go back and forth publicly by publishing through their emails, and on forums. So this thing sorta became like a cage match between the Rich Jerk and Sydney,

And of course, at the center of the controversy was Brad and Andy and Stompernet. I think, strangely enough that seemed to be the spark that really got people talking about the launch.

Now I have absolutely no idea how much of that controversy was pre-meditated... but it worked really well. In the end, it doesn't matter whether it was pre-meditated or not. If it was all planned out, then it was a great piece of theater. If it wasn't planned ahead of time, then they did a great job of capitalizing on it.

Rich: That goes back to having the grounding in the fundamentals of the launch so that you know how to react. That's why I went through Product Launch Formula multiple times before my launch.

Jeff: So as they were coming down to launch day, they had this controversy going and they fed into it, and they were mailing their list about the controversy.

Then people were going and talking about it on various forums. That really got people talking about it and built awareness beyond the people that were already on their list.

So stepping back – they had a lot of people on their pre-launch list, built from the pre-launch content they put out. They'd been feeding the people on their list even more content and great case studies, and then they started feeding them this controversy stuff. That carried over onto the boards and then they had a huge partner push right at the launch, with many partners putting together massive bonus packages.

Rich: Is there anything in common that you see for when a launch really takes off?

Jeff: Well, I actually know a bunch of hydraulic engineers... and they have this term called the "hydraulic jump" that's used with moving water. I don't know the exact scientific definition, but it's basically where there is a sudden [word?] the water goes from running smoothly to very turbulent, rolling white water.

There is actually a calculation for this thing that these engineers can do. It will tell you when all of a sudden things change radically.

When I look at a launch, I often see the same thing... you have things going along rather smoothly on a predictable path. You are in pre-launch, you have a plan, you are getting closer to launch day. But there isn't anything special that's really grabbing people and making them pay attention.

That's pretty much the definition of a normal, average launch. You can make a LOT of money just following my standard formula and doing an average launch. I am talking about a shocking amount of money for most folks.

But in one of these HUGE launches, you usually have that "hydraulic jump." Something changes and sends everything over the top. All of a sudden there is this mass consciousness and everyone in your niche or on your list is hanging on to see what's gong to happen next.

Like for you - what was it? It was the front-of-the-line pass. You had been going along with a great pre-launch, and then you did the front-of-the-line pass and everything changed. All of a sudden everyone was watching, everyone was excited.

Look at my launch... the pre-launch was going along great. Then I did the contest. Boom! 470 people are writing hundreds of pages, telling me why they need my course. All of a sudden everyone's talking about it, everyone's waiting on my next email.

Then Stompernet... you have the launch going along, and yes - they are giving good content and building a large pre-launch list. But nothing special is happening. Then they have this controversy and just like that, everyone is talking about them.

To me, it's like you are sort of going along your normal course of the launch and then something happens that changes things. And that thing that happens will often be out of context, or it will change the context.

Look at you... your launch was free report, free report, content, content. Hidden in each of those, at the end of it it's like: I'm going to do a coaching program. But that wasn't the focus. All of a sudden, you have the front-off-the-line pass, where you tell people "if you are interested in a coaching program, you had better get in line." Boom! Everyone is clamoring over each other to line up for the coaching program.

It's something that changes the context. It's usually built around either social proof, scarcity or both.

Rich: That's perfect, I can look at some of the launches that were big, but they weren't huge, and I think that might be the one element that they missed. You know, it was just a methodical kind of thing until the launch. Maybe they did really well, but it wasn't over the top.

Jeff: Like I said, you can have a really great launch if you just follow the basic steps. But in this conversation we've been talking about the huge launches... the epic launches that just went completely over the top.

I have this thing I like to tell my clients and myself... if you want to make a million dollars, it's going to take some work.

In other words, if you want to have one of these HUGE launches that seems to bring your niche to a standstill while everyone watches you, then you really need to do something special.

If you just want a successful launch, maybe one that equals one or two or three times your normal yearly sales volume, then you can just do a launch straight out of my course.

Rich: And Stompernet really was a huge launch, they hit it out of the park. So they put more than 1,000 people in the program at \$800 a month?

Jeff: I'm not sure on their exact numbers, and their real results all depend on how long their subscribers stick around. But we know they did \$1 million on launch day, since this is a subscription program, everything is continuing. Theoretically, if everyone stuck in their program, they are looking at \$1 million a month.

Of course, we know that not everyone will stick, but those are still amazing numbers.

Rich: Frank Kern wrote their sales letter – I loved that letter.

Many times during these launches, the sales letter isn't all that great. It's often the last thing that's put together, right before launch. And really, it doesn't usually need to be that good... since the pre-launch is so effective at selling the prospect even before they get to the sales letter.

But this time the sales letter was really good. Frank did a great job with it. I loved the headline... "This headline was intentionally left blank." It was so unexpected, I was like "What?" I had to see where he was going after he wrote that headline.

Jeff: That headline is so Frank Kern. ☺

Rich: So now that we've gone over all these launches, do you see any common elements that clearly differentiated the ones that have done well versus the ones that did like crazy insane numbers?

Jeff: I think that one big difference is what I call a "crushing offer." That's the term that I like. Having an offer that really just sparks a lot of interest, that is different, that isn't the same old stuff, that isn't just a box of CDs; a really well, thought out offer that responds directly to something that the market really wants.

I really think getting the offer right is the key thing. That goes back to the idea of the launch being a conversation with the market. Here's a very big secret with almost all of these huge launches we have talked about... in fact, I know this will completely shock a lot of people, because they think the "big-name gurus" have everything all planned out, and that they are just sitting back pulling the strings.

Here is the secret – in almost every case, the final offer isn't decided until the last second. Sometimes the day before launch.

When I say "offer," I mean the pricing, the exact product and the guarantee.

And in almost every case, this stuff isn't decided until the last few days before launch. In the last week before my launch, I was literally deciding whether I should price my product at \$2,000 or at \$1,000.

It's the same with just about all these launches – the final decision isn't made until the last second. Bonuses are added or taken away. Pricing is changed. The guarantee is changed. The exact product mix gets changed.

So when we say "the launch is a conversation," we really mean it. You are listening to all the feedback from the market – whether it's emails, or blog comments, or forum posts, or phone calls... it doesn't matter. You are listening to the market, and you are using that feedback as a guide. It's a guide for what to do next in the launch, and it's a guide for what your final offer should be.

Another thing is not rushing the launch. This is critical.

If people aren't excited, don't roll it out. Don't push it. Don't do a launch based on some external date, like I am going on vacation and I want to do this launch before I leave. That's a recipe for disaster.

Again, that goes back to the conversation. Let the market tell you when the time is right for the launch. Don't be afraid to move it back. Again, that goes back to the conversation.

The ones that I see fail to go really huge are the ones where they are not using the pre-launch to create a conversation. Really, the thing that people miss so often in the pre-launch is it's about creating a conversation and really identifying the hot points. It's using that conversation to really figure out the objections and nail down a great offer.

That was one of the first things I asked you in your launch. After your Manifesto, and after I got back from Europe and we got on the phone and I asked you, "What are your prospects' main objections?" That's what we've got to go after. Any more content that we are putting out in this thing has got to start answering those objections.

Rich: When you say that, it makes me think that "The Missing Chapter" was the more important piece. "The Missing Chapter" was my answer to everyone's objections. It gave them information, but also let them know that I had a lot more to say about that and that's how I help people. "You can join my program, and I will help you too."

Jeff: I don't know if we can say which was the more important piece, but it was critically important.

Rich: It was something that gave me the opportunity to once again show that I knew stuff that they didn't.

You know, the more I know about what made my first launch work, the better off I am for my next launch. This is one of my big take-aways that I'm writing down.

There's one thing that I think is important to stress... we have been talking about these big huge launches, but even the ones that don't do as well – the ones some people think of as failures – they are much bigger than people would have done if they didn't do a product launch. I think that it's important that people realize that.

Jeff: Exactly.

Rich: So what do you think the future holds for launches, in both in the Internet Marketing niche and outside the Internet Marketing niche?

Jeff: Outside of Internet Marketing, I don't think anything has changed... and I don't think anything will change for a good, long time. The standard Product Launch Formula still absolutely crushes it.

Rich: Then let me ask you one other follow-up question to that before you talk about Internet marketing. You've seen so many product launches; are there any other common characteristics of successful launches outside of Internet marketing?

Jeff: Well first of all, you don't have to work as hard to be unique. Those markets haven't seen a lot of launches, and there isn't as much transparency. In other words, in the stock market trading niche, you could do a launch and not everyone

in that niche will be watching everything you're doing and saying "oh, that's just a social proof move... this must be another Jeff Walker launch."

So you don't have to work as hard. And it's easier to create that spark, that "hydraulic jump" that I talked about. You can really do cookie-cutter launches in most niches. You can just use a lot of the swipe copy from Product Launch Formula.

Rich: OK, how about the Internet Marketing niche?

Jeff: Well, you definitely have to work harder to make your launch unique.

And here's the key - the real competition is not to make the sale, it's to get people to mail for you. That's what's completely changed in the last year or two. You have to have a good sales pitch to your partners. You had a great one... your JV letter was really good.

You have to convince potential partners that you are going to close the sale. You have to convince partners that you are going to take care of them.

And another thing is increasingly important (and I think this is a VERY GOOD THING)... if you go to a partner, you have to convince that partner that you are going to take care of the people on their list. Not only if they make the sale and after the sale, but during the process.

You need to convince them that if they put someone on your list, you are going to treat them well. You aren't going to send slimy email after slimy email... because that's going to reflect poorly on them.

You have to convince your partners that it's going to be a good, solid offer. That it's going to be a good product; you are going to take care of their people.

You have to convince partners that you are going to track sales for them accurately. And that you are actually going to pay them.

In fact, before you get into that pre-launch, there is this whole pre-pre-launch where you are selling your partners on promoting for you.

In the Internet marketing niche, that's where the real battles are won and lost now.

That's not as important in all the other ten million niches, but in the Internet marketing niche that's where the competition is and that's where the battles are won and lost.

Rich: Thanks Jeff.

Jeff: Thank you Rich.