



SPI Podcast Session #63 - Monetizing a Hobby Blog and the "Magic" of Membership Sites

show notes at <http://www.smartpassiveincome.com/session63>

Pat Flynn: This is a Smart Passive Income podcast with Pat Flynn Session #63.

Welcome to the Smart Passive Income podcast where it's all about working hard now so you can sit back and reap the benefits later. And now, your host who loves shopping at Target at 3PM on a Tuesday afternoon, Pat Flynn.

Pat Flynn: Hey, hey, what's up everyone? I am Pat Flynn and welcome to the 63rd session of the Smart Passive Income podcast. First of all, I just want to give a shout out to all the kids listening to the show right now. Yes, the kids. Since last week's episode, I randomly got like four or five emails from parents who listen to the show in their cars when their kids were in there. Maybe they're on a road trip or they're picking them up from school or something.

And the parents were emailing me thanking me for keeping the show clean, because they want their kids to be able to listen to the show. And that's awesome. I mean to my absolute pleasure, and seriously, I mean no offense to those of you who swear and cuss on your shows, or maybe you just do it in real life, I get it. That's fine. It can really emphasize certain points. But I have two kids now. I've met kids who listen to the show. I want them to be allowed to listen too. You never know.

Seriously, you never know what one idea a single kid can have based on something that you say or something that they listen to that can change the world and change their world and really make a difference. So, I just thought that was really cool. So to all the parents out there, my absolute pleasure. Thank you for those of you who emailed me.

Now, speaking of really cool, when this post goes live, I'll actually be in the Windy City. I'm going to be in Chicago for an event called Internet Prophets Live and I'm speaking at the event. That's prophets with P-H, P-R-O-P-H-E-T-S, not F, which is kind of clever. And it's always a good time to speak at these kinds of things.

I'm also holding a meetup. You can go to SmartPassiveIncome.com/meetup at any time really to see where my next meetup might be or if there's not one in the future. I haven't set one up yet. If you go to that URL, so that's SmartPassiveIncome.com/meetup. I love doing meetups. I love meeting the fans. I love meeting people in the area who want to talk business or just want to talk whatever. That's where I met some of those kids who listen to the show, in Nashville actually.



Cliff Ravenscraft and I last week, he and I held a meetup in San Diego, my hometown, after Social Media Marketing World at a pizza joint and about 50 people came out from – some people from Germany who came out who were just randomly near the area and flew in just to hang out with us. We had pizza. We had some drinks of course, some great connections, and everybody was just meeting each other and having great conversations. It was just really cool to meet people in person sometimes. You should really try to do it if you can.

My featured guest today, I'm actually going to be meeting him for the first time in Chicago at this event. His name is Douglas Linn. And I'm really excited to share his story with you because it's about a hobby blog that started that is now being monetized through a membership component, recurring monthly income which is sort of the holy grail of passive income.

And the best part is, at least for me, it's about the hobby is a game that I used to play when I was in middle school and high school. The game is called *Magic the Gathering*. So I must seem like so cool right now. I mean not only am I a body boarder and not a surfer and a marching band nerd, but I play *Magic the Gathering*. So please don't go.

Anyway, this conversation that Doug and I have brings back a lot of amusing memories for me because I was pretty hardcore about this game called *Magic the Gathering*. And so, I try to dig really deep into how it all happened, all the ups, all the downs, and all the struggles and wins along the way. So without further delay, let's get right into the interview with Doug.

He was on a phone, it was a landline phone but it was still a phone as opposed to a Skype-to-Skype conversation. So the quality isn't going to be quite as good as you're used to as far as this interview is concerned. My side sounds the same. The other side is going to be a little bit not as high quality as you're used to. But it still sounds great. So, let's welcome Doug.

All right, Doug. Thank you so much for coming on the show. How are you doing today?

Doug Linn: I'm doing great. Thanks for having me, Pat.

Pat Flynn: I'm really excited about this interview because you are going to be talking about a particular topic, or niche that was a part of my childhood actually. So I'm really interested to kind of dive into your story. And I love – every single email you've sent me just got me really excited about this moment in time to interview you. So why don't you just start by telling the audience sort of what you do and how you got started?

Doug Linn: OK. Well, I'll give you the semi-long story here. I run a website called QuietSpeculation.com with my friend, Kelly Reid. It's all one word. It is a subscription-based online magazine service. So every month, people sign up and they pay basically to read articles every day and get access to the private forum and a private newsletter.



But what it's about is it's about *Magic the Gathering* cards which people probably have a passing familiarity with. And when I tell it to people, people still say, "Oh, people still play that?"

And Magic is actually a huge industry. I sat in on Hasbro's marketing call; Hasbro is the publisher of Magic. And Magic is a significant part of that multibillion dollar company's, bottom line. And we pocketed about 25% to 30%. So there's a lot of money going through Magic. It's sort of an expensive game to play but people trade the cards around and they buy them online and they sell them and they trade them with friends at events.

And our goal with our website is we're going to tell you the upcoming financial trends so the hot cards, the cards that are overpriced that we think you should sell, and people pay for that info just like they would if they were subscribing to *The Economist* or *Barrons* or *The Wall Street Journal*.

People kind of ask, "Well, how much money is there in trading cards?" And I say that typically, when you look at a card, they get hot. It can go from let's say, \$.80 to \$8 overnight based on demand. And you'll never find a stock that makes a jump that quickly. And people can make a lot of money in a short period of time if they know what they're doing. And our goal is to kind of guide them along and figure out what they're doing.

Pat Flynn: That's so awesome. How did you come up with this? Did you play Magic yourself? And what made you and Kelly decide to A) partner up and also B) just start this?

Doug Linn: Well, I had been playing Magic since I believe around 1996, which is 17 years now. And so, I played Magic for the better part of my life; so has Kelly. Kelly and I started talking about this. We met on a Magic forum because he and I were talking about when cards got really popular and how expensive they got. And he and I were the only ones who were really talking about that. So we private message each other. Kelly was running this blog. I think it was QuietSpeculation.blogspot.com. Don't try and look at it. It's gone by now.

But I had looked at it. He and I kept in touch and we're talking more about the idea of, "Gee, isn't this information that people should know? And could we make a little bit of money at this on the side?" So, we were talking about a little bit more. Kelly was a retail-drone at Best Buy and he didn't like it. And I was going through my second year of law school.

And he and I were both looking for a fun project to do and he was thinking about, "Well, what about other jobs that I could get in?" And I told him, "Man, you have this blog. You get about ..." I think it was maybe ten or thirty thousand views a month on it which was pretty decent traffic. And I said, "That's your only equity asset. That's the



only thing where when you go to bed at night, you're still making money on it even though it was like \$8 a month on Google AdWords. You're still making money on it. If you could take that, your loyal readership, the trust you built up, we could create something really cool here."

And so, that's how the site got founded and started. And I believe that that was in September of '09. That's when things really picked up.

Pat Flynn: Yeah. I remember playing back when you started too in the mid-1990s and I was obsessed with it. For those of you who don't you, *Magic the Gathering* is a sort of card – it's hard to explain over a podcast. But you have ...

Doug Linn: It involves – you play a dueling fearsome wizard casting powerful sorcery on some of the mighty monsters and utilizing ancient artifacts of untold power to defeat your opponent.

Pat Flynn: Yeah, exactly what Doug just said. And it's so much fun and it's for the sort of geeky crowd. And so, it's a very niched thing that you have going on here. Now, when Kelly had QuietSpeculation.blogspot.com, that was a free site he'd set up, how did he – like what was he talking about on the site? How did he get 10,000 views and what was exciting for people about that site initially?

Doug Linn: OK. Well, that's kind of ancient history so I'm going to try and do my best to remember that. He was talking about things like cards that were upcoming and hot or about like why is this card suddenly \$12 and then he talked about it – you have to remember like we – I don't want to sound like I'm full of hubris here and say, we invented Magic finance. But we were really some of the first people talking about it in an organized place. And so, people would come to that because everybody wanted to talk about it. They want to talk about like, "Well, should you rip off people in your store with trades if they don't know the prices? What it's like to be an ethical trader?"

If you have a 10-year-old kid who wants to trade a \$100 card to you and they want a \$.50 card in return, should you take that trade? Our position has always been no. That's unethical. That's bad. But he was talking just about that. Things he would have a mail bag article now and then where people can write in. I think this was even like pre Twitter being popular if it could go that far back.

Pat Flynn: So you have this site and you're already talking about this topic. And you told me earlier that now, you have a membership site where people actually pay to read. They pay to join a forum. And they pay to get a newsletter. How did you two come together and make that switch from what I imagine was free content before with running AdSense ads to that switch to a paid forum model? And why do you think it was successful?



Doug Linn: Oh, that's the real meat of the discussion here. We switched over to QuietSpeculation.com and we started running articles there. I think we launched as a WordPress site and we got a couple other columnists who were interested in writing. And we were upfront with everybody at the beginning like, "Look, this is going to become a paid site somehow at some point. We need to pay writers. It is a just and noble thing to pay employees and to help people." And I hear from our writers to say, "You pay for me to live the dream here." So you have to pay people.

And Kelly and I were looking at the dismal returns on Google AdSense because the people who were reading it are sophisticated Magic players. They understand what's an ad and what's an editorial. And they're not likely to be fooled into clicking on this one weird trick to reduce your abs by eating these berries ad.

So the money for ads wasn't really there. And the amount of money you'd have to scale on it was terrible. I mean it's so cheap to buy ads online these days, which is great for somebody who wants to buy ads. But if you were looking to make money from them, at least in our niche I'll say that, I can only speak from our experience, at least in our niche, the money wasn't there. People weren't going to click on weird trick ads. And then we had also looked at it. So we had thought, well, we could go with the pay what you want model. But we really didn't like freemium because it doesn't let you forecast a budget.

If you have a content budget of x hundred of thousand dollars a month, you can't really go and beat the tin can around and say, "You guys got to pay up."

Pat Flynn: Right.

Doug Linn: And we had looked at other examples too. We said, "Well, look the New York Times, isn't managing a free site." They can't make money on ads. The New York Times cannot make money on ads. Why should we? How could we? If we get \$3 for every thousand viewers on our site as a niche site, we'll be looking at 30 or 60 bucks a month. And this is just based on our experience.

So we had decided to do that. We offered a low introductory rate to people who signed up in the first month, which was like \$5 a month. The people who signed up then who still pay the \$5 a month, it was; it since increased to \$12.

So, one of the things that we had based on about why a paid model would work is exclusivity. So you're paying for information that only other paying members are reading too. So people say, "Well, I'm going to have a sort of insider information here. I'm going to have the inside loop. I'm going to have a level of analysis that other people haven't." So that kind of works in favor of it because when you have a scarce thing like that, you can say, "Look, this is protected information." It makes it more intrinsically valuable.



And then we had also looked at the success of private forums like SEOBook.com. And at the time, a friend was helping us out with setting up the page to guide. At that time, he said it was \$150 a month just to sign up for access to the forum. And I thought, "Man, isn't that the holy grail right there?" So you have all user-generated content and all you're doing is paying to keep the riff-raff out. And you're paying so much because you can get so much access to this.

SEO Book is a website that's about how to maximize search engine optimization, how to get the most out of that, for the listeners who don't know. It's very valuable if you're actually doing it. But if you're a keyboard jockey, you're not going to pay the 300 bucks a month there. For us, we feel like active traders should be able to fling \$3 a week. But if you're a keyboard jockey and you're not trading a whole lot, I don't know if it's the right service for you.

So that's sort of the long-winded answer of how we got to charging money for this.

Pat Flynn: Right. I think it's really important about what you just said there, how you are specifically targeting a certain group of people who are willing to pay for this. And if they're not, then maybe that's not the right content for them. I think a lot of people try to get kind of everybody on board when they're trying to build a blog or they're trying to create a membership website or trying to get people to pay for stuff.

This is something that I've learned from Ramit Sethi when he comes out with the products. He initially says, "If you're in debt, I don't want you in my course. You're not the right person for this." I mean he tells you right up front. I think that's really important.

Now, there are a few questions I have based on what you said. So first, you talked about writers and paying writers and that's obviously a very important part of the overall strategy. Now, is that content that they're writing for people who are inside or do you even have content free for people to view to generate more traffic and interest?

Doug Linn: Yes. We have some free content. It's mostly about casual Magic, playing with your friends or about strategy. We have – most of our content – I feel like the stuff you're paying for is going to be financial stuff and we're not going to make you pay for stuff that's not financial.

Pat Flynn: OK.

Doug Linn: So, we do have a bit of free content. I think we have an article or two every day that's free. It gets a lot of people coming back and we want to offer something to everybody who comes to the site even if they don't pay. We do have some articles. We call them unlocked insider articles that we offer. We make free after a while but we don't automatically make anything free. And you'll have to apologize for the noise. It is hailing here in Ohio and it is raining sideways.



Pat Flynn: No worries. That's cool. That makes it so real. So you have these unlocked insider articles. So how much are you paying these writers? Because I know that a lot of people – I mean there's a wide range of sort of writers that you can hire. There are places you could sign up for where you can get articles for five to twelve bucks. You can get articles down on Fiverr. But then you can also find someone who would write an article for maybe three to five hundred bucks which is on the high end. Well, I'm just sort of interested to see how much you're paying and how that is sort of a part of the overall business plan.

Doug Linn: We pay – we're closer to the \$15 to \$20 an article versus the \$300 to \$500 an article. I think our content budget makes up about 30% of our monthly revenue which means it's basically that part of the expenses. We try and pay as much as possible. It's a niche site and a lot of people are working understanding that they get a free access to the site as well as money to be paid for writing articles. But we try and write as much as we – or pay as much as we can because when you pay more, you get more quality.

Pat Flynn: Right. And you're paying actual Magic players or people who understand the game?

Doug Linn: Yes. And we find people because we have a brand name in the industry. So if somebody wants to write, they contact us. We have articles – or writers who have been with us since day one and we try and make their life as comfortable as possible. And then we also offer – we're very restrictive on like free trials and things like that. But we do say you can get a free membership if you write with us. And I can talk about how we manage free trials later if you'd like.

Pat Flynn: Sure. Actually, I want us to get into pricing really quick because you had mentioned you initially did \$5 a month sort of for the beta testers or for the people who are in there first. And now, it's \$12 a month. How – why 12? Where did that come from? How did you decide that?

Doug Linn: Well, we stepped up from 5 to 9 because the original price, we're saying, "Hey, it's going to be \$9 a month." With the understanding that we would – we pay like 20 writers a month plus 3 editors so there's a substantial overhead there and I'm not ashamed of that.

And then we had – we bumped it up from 9 to 12 last fall. And the reason being was that we were hiring some coding people and getting some databases because there's a huge wealth of data for Magic cards, for what price they sell for, how many they're selling for, what stores are paying for them to get their own inventory.

So we raised the price with the understanding that the price is going up but you're also getting this new program we created called Trader Tools, which shows you the average



price the card is selling for and also, what dealers buy it for. So if I say to you and we're trading and I say, "I'll trade you an \$8 card for my \$8 card." And then you look at our Trader Tools and you say, "Well, if I sold this to one of these big Magic Internet websites right now, I could make \$5 on the card you're trading me. But I can only make \$3 on mine. So I'm going to take that trade even though it looks equal because my card has a greater intrinsic resell value."

And when we created Trader Tools, we had a huge surge of membership. People on Twitter and Reddit were going crazy for it. It was great. We had increased the price with the understanding that it was going to pay for more features. It wasn't a greed grab.

Pat Flynn: Right, right. This was a tool that was only accessible to members?

Doug Linn: Yes.

Pat Flynn: Yet, it was still providing market interest.

Doug Linn: Yeah. It would be like looking at a stock quote and then if you look at a stock quote for free, you'd see one level of data and when you pay for more analysis, you'd get more analysis and more info about it. We have – we've always been very upfront with our price and we say – we're kind of at the level where it's paying rent and student loan debt right now. We're not making retire in Cancun money on it. But I think that we're honest with people that when the rate increases, it's because we're paying more writers, we're getting more content, and we're providing better services to people.

Pat Flynn: Right. But you are making the holy grail of online income, which is a recurring passive income through your members.

Doug Linn: It is. And we – our typical lifetime member length is a little under two years. So I look at that, I tell that to people and they're shocked; Magic players, not other people in the industry. But it's like, "Look, we provide information that on average, somebody wants to stay with us for two years and read and talk with us and learn about what we're doing."

Pat Flynn: That's huge because I know, at least in Internet marketing industry, blogging, and entrepreneurship type courses and membership sites that the retention rate is typically three months. So, to have a two-year retention rate, that's huge. What are some tips you have for people to make sure that when they come into your membership site for example, that they're going to stick around? Is it just – do you feel like it's just purely the content or is there more?

Doug Linn: Well, we have the forums which allow – we want to let our stuff scale to the size that anybody wants to consume it at for however long. So if you want to sit at your computer all day long, we have forums and a private chat room. So you can spend



as much time there as you want. If you only want read the article, if you only want to get our newsletters, you can do that. But the more you want to engage with us, the more we can engage back with you.

And I think that gives people an ability to graduate up to it. We are also very clear when you sign up. Like these are all the benefits you get. So we started doing that because we get people who said like, "Oh, I subscribed in it for five months before I realized you guys had a forum." I was like, how many people did we lose because they didn't know we had a forum where they could talk about this stuff? So we try and be really clear about all the features and benefits and encourage people to look at it.

Pat Flynn: That's cool. How – was it always smooth-sailing? It sounds like it's just been a great story. You have this free site you turned into a paid site. Members are coming in. What were some of the struggles maybe that you had along the way?

Doug Linn: We had some early founder problems, which I won't get into, but I'll say like I think that it's really worthwhile to have one partner in a business. But when you have two partners, including you like beyond you, so a total of three more people, the delegation gets to be a problem and the responsibilities gets to be a problem. And I had a great – my great friend, Jason, who I'm still great friends with, came on board. He actually knew what he was doing and Kelly and I were kind of jokers. We have this great content idea but I have no idea how this Internet works.

And Kelly and I just kept dropping the ball on things about getting like bank account set up and employer ID numbers and we're being jokers about it. And Jason finally said, "Look, cover the expenses I have incurred. I'm going to step aside from this." Which was very noble, we did not hold it against him and I was kind of relieved like I don't want to ruin a friendship over my buddy and I trying to make a hobby business when my friend, Jason, who's actually trying to be professional about this and we're screwing with him.

So, know your own strengths and weaknesses. I think that's what we got from that. We also deviated from the core concept a bit with what we were spending our early money on and this is a big thing I say to people like, "If you find something that works, keep investing in that and make it cooler."

So we had published an eBook from a friend of mine about Magic cards. It paid for the server for a couple of months. But we weren't any eBook business and it had nothing to do with trading and selling cards. It was about how to play a specific kind of deck and a specific kind of Magic format.

And yeah, we made a little bit of money on it. But on the other hand, I was fulfilling support request every morning where somebody was saying, "The download link didn't work," or, "I didn't get this or my payment didn't get refunded." And we decided that



we're also going to publish a paper book because people were demanding it and we want to listen to people who are going throw money at you.

But I think we went through Lulu.com and I had ordered 40 books. I had gotten a lot of presale orders for it. So you got to have money in the bank for these kinds of things. I got presale orders from it. And this is like – at the time, I'm taking – I'm getting ready to take the bar exams so my mind is elsewhere. I got the first edition of the book they sent me and there are no pictures in it. So I sent them back. I had to wait two weeks to get another set of books printed up. And I got it proofed this time. And the colors – the pictures are there but they're too dark.

So we're now at four, five weeks after we had thought we'd be shipping these out. And I finally get stuff that we can actually ship out. And I'm running to post office every day to ship like one or two books. We get screwed internationally on shipping because I hadn't realized how to calculate it correctly. And it was just a big mess. I think we blew a lot of customer goodwill and we annoyed a lot of people when we shouldn't have. We should have just said, "I think your idea is great. I think you should pursue it on your own."

So we lost money on that and we lost – I mean we lost customer capital and goodwill, which I think was a lot more damaging than losing money. But hopefully, people don't hold it against us.

Pat Flynn: So the lesson there would be just whatever you know your strengths are to keep pouring money into that in your business, whatever is working, it's working so throw more into that. But do you think it was still worth to try maybe, maybe learn something from it?

Doug Linn: Yeah. I learned a whole lot of stuff. I think one of the things that makes a powerful entrepreneur is being able to pick up the phone and resolve problems. And I love calling people. Look, like I'm a lawyer also and so, I figure, half my day is leaving voicemails for people and the other half is drafting nasty letters. But when you get people on the phone, they are inclined to say things that they would never say in email and promise things that they would never say in email. And you get problems solved real quick.

So with this book thing, I learned how to pick up the phone, resolve things immediately, get stuff going. We learned how to forecast budget projections and figured out that we were going to make like a total of \$18 on this whole project. We did it too late but we figured out how to do it. I learned about engaging with customers and fulfilling orders. And like just what it takes, if you were selling a physical product, what it takes to ship that product every day. So we learned a lot. And it was a cheap lesson.



Pat Flynn: Yeah. I mean I remember when I came out with my book on GreenExamAcademy.com for the LEED Exam. People were demanding a physical book but I knew from experience based on what other people were saying, I had a fortune to be connected with a lot of people who had done stuff like this already. They were like, "No, you don't want to do physical book." And I was like, "Why? People want it and I can just see, go to the post office, ship it, whatever. And I can make systems and do it." But they're like, "Yeah, but you have to do it. That's something you can't really automate quite as much."

So it was nice that I had sort of that, sort of circle of friends who were telling me what to do or just guide me along the way. Sometimes, it just takes doing stuff and realizing, "OK. This isn't the way to go." So that's really cool that you tried it and it didn't work out and now, you are not kind of going down that same route anymore.

Doug Linn: Yeah. My personal calculus for whether it was worth it is like at the end of the day, like were any women and children hurt but you still have all your teeth? And both of those things are in your favor than like it's lesson learned, that's fine. We probably learned it very cheaply.

Pat Flynn: That's funny. How many members are in your site right now, are going through your site?

Doug Linn: We are in the hundreds phase, not in the thousands phase.

Pat Flynn: OK.

Doug Linn: I can't talk specific numbers.

Pat Flynn: Sure.

Doug Linn: But we're doing well as a niche site.

Pat Flynn: Right. And again, this is something you're doing on the side that could potentially grow bigger and it is growing. But like you said, you are a lawyer. And so, with three figures worth of members in there, which is really cool, all paying recurring income, which for those of you who feel like that's a small number, when you have that number happening every single month paying you, that does add up.

How are you getting more people to come in? Are you advertising? I know you said you write some content up front which maybe draws some people in through social media or whatever. But what are you doing to expand your membership right now?

Doug Linn: Well, we have a weekly newsletter we try to send out and it's a free sign up. And we have thousands of people on that. And we typically get a couple of subscriptions every time we send it out. It's a real non-threatening newsletter. We have



– I brag about this to everybody. We have a 50% open rate on our newsletter with thousands of people. The industry standard is 10%.

Pat Flynn: Yep.

Doug Linn: So, when we send something out, half of people open it up no matter what it is. And the reason why I think that is, is we provide a valuable information to them. So we're not giving them tips but we're giving them like cool stories to read, interesting trends in the week, maybe a game to play, and then like there's real inoffensive. If you like this, there's a service for you and it's only three bucks a week. Here's where you can find out more.

And I think the other part of this newsletter success is that I'm involved in telling and not selling. I'm telling, not yelling. So I have not used an exclamation point in our newsletter for nine months.

Pat Flynn: Not even to say, hey!

Doug Linn: Yeah, not even to do that. And I feel like The Wall Street Journal doesn't need to use that so I'm not going to use it. And I think people – I think it resonates with people because we have maybe like two or three people on subscribed out of the thousands that go out every week. And it's a lasting, enjoyable thing for people and it costs nothing. Well, I guess it costs something. We use MailChimp. It costs like 30 bucks a month to send it out, which is fine. We make that up in subscriptions and we make it up in customer goodwill.

We have done a little bit of Google AdWords. I can't – I'm humble enough to say that we don't really know enough about it to make it actually pay off for us. We're doing remarketing right now, which is so that when somebody clicks on your site, they get a little cookie from Google and then wherever else they go, they see our ad on other sites. So it's kind of like if you've been there once, you're more inclined to go there again and learn a little bit more about it.

So we're interested in that. I can't really speak to whether it's going to work or not. We do – most of our promotions have been free. We paid a disastrous amount of money for t-shirts. People shouldn't buy t-shirts for their company. I think it's pretty bad swag. It's like a really low expected value that you get.

Pat Flynn: That's funny.

Doug Linn: I think it's \$10 or \$15 for a t-shirt. And I personally, I don't wear any t-shirts that I get for free unless they're goofy ones from a thrift store. And if I wouldn't wear this, why would I want – why would I think somebody else would wear it?



Pat Flynn: Yeah. It's funny because a lot of companies, they do that. They feel like there are two things that they have to get to market. They need business cards and t-shirts. And so, you found that the t-shirts aren't really doing anything.

Doug Linn: Yeah, they're not. They're not doing anything. And you spend a lot of money. Like we had wanted to get staff t-shirts too. And this is like another disastrous problem. We got polo shirts embroidered with a Quiet Speculation logo and they look slick, and they were awesome but it cost like \$350 to set up the embroidery jig and then get five or six shirts made with the idea that, people are going to want to buy Quiet Spec polo shirts down the line. And that just never works.

So we had blown like several months of keeping the server alive on shirts that we don't even wear anymore. The big, big, big return on investment is stickers. We go through StickerGuy.com and they have a deal where it's like 250 stickers for 25 bucks. And the guys who run it are really red kind of skater surfer dudes. And if you call their customer service, they're really fun to talk to. It works out about \$0.10 a sticker.

And the appeal for stickers with us is that people carry around trade binders full of Magic cards. They can stick these really cool-looking stickers on it and then whenever you see somebody with that also and you know what it is, it's kind of like a secret handshake. Like, "Oh, you know about that site too." It's like it's a little bit of legitimacy like you're not going to be a joker when we trade. You're going to be a pretty cool dude.

Pat Flynn: Yeah, that's cool.

Doug Linn: So we get 500 stickers printed up at that time and we go to an event, a whole weekend event and we pass out all of them hours before. People love them. And every time you see the name, it creates an impression in the viewer's mind where they want to come back to it. We want people to see the name over and over and over again.

Pat Flynn: Yeah, that's pretty cool. I think that's a great idea actually. So you kind of have to think about what your audience is doing, where they are going, and how they can interact in sort of what would indicate some – I mean I think this is great for membership site. It would be awesome to go somewhere in any sort of – if I was a membership, of any sort of niche membership site and I go and I find someone who has something.

Like if I was in the Mini Cooper Club, for example. I don't have a Mini Cooper but I'm just speculating. If I was in a Mini Cooper sort of online community and we got stickers or something that you put on the antenna or something and then I drove around and I saw someone else that had something, I mean like that guy is cool. I might go to talk to him and start a conversation.



And then what that does also is it gets people who aren't in the group to kind of see that sticker or that antenna ball or whatever it is and be like, "Hey, what's that?" And they can be a conversation starter where your brand can sort of be a part of that conversation.

Doug Linn: Yeah. And it can apply to a lot of other niches. Like if you are working with like fitness things or outdoor stuff like here is a sticker you can put on your water bottle that says like, "If lost, please return to ..." and then it has your brand on it.

Pat Flynn: Yeah.

Doug Linn: If you're an outdoor brand or like here's a patch you can sew to your climbing harness if you're a rock climber. I know – I'm talking on my butt on this stuff. I don't know nothing about going outside. But it can work for other niche industry. And I think it works a lot better for niche industries than in like big, goofy, standard corporations. I don't want to put a Coca-Cola sticker on my things.

Pat Flynn: Yeah. No, that's true. And I'm thinking of Steve Kamb from NerdFitness.com. He has apparel but it worked for him because they wear that stuff to the gym and people are like, "Oh, that's cool. Nerd Fitness, what's that?" And so, that's partly how he's been able to grow.

So again, it just depends on who your audience is, what they do, where they go, and how they can possibly interact with each other. So that's something, a really cool thing to think about when it comes to membership sites. Maybe there are some people in the audience right now sort of could use your training as far as that's concerned.

Now, for people who don't have membership sites yet, maybe they have a blog; there's some sort of traffic, what is the maybe indicator for them that a membership site might be the right choice for them?

Doug Linn: Well, I have looked at a lot of membership sites and the thing that keeps recurring for me that I think that can really make money is if subscribing to this site will save you money because it's like just about the easiest sell for somebody. Like, Geico made a fortune on – a "15-minute call will save you 15% or more." Like nothing about their service, just, "We're going to save you money." So that's a powerful sell on its own.

I think if you're running something where it's like, "This is how to maintain ..." My wife has a Mini Cooper. Oil changes are ridiculously expensive. So like this is how you get an oil change for a Mini Cooper for 25 bucks. And if people are interested, they should email me by the way because I have the inside scope on that. But if you're doing something like that where you have, "This is how I can save you money at something you're already doing." I think that's a gold standard.



If you have subscribers who are interested in reading journalism like decently researched articles, maybe fiction, research pieces, I think that's good. I don't think there's a shortcut to paid content sites where it's like, "I'm just going to go on Elance and have people in another country write articles about parachuting for me." I don't think that there's a shortcut to it.

But for somebody who is looking at yeah, I would definitely say, does your blog help people save money? And if it helps them save money, then you probably have some sort of marketing pitch.

Pat Flynn: That's a great tip, Doug. Now, to finish up because we're coming up to about 35-minute mark, which is awesome, there's been a lot of great content in here especially getting people thinking about the membership sites. And you don't need to have that many people to have a really close-knit group in a community that is willing to pay for stuff like you're saying.

Again, this isn't a huge membership site yet and of course, you have to start somewhere but you'll learn as you go and you build and you market and you get people to talk about you. And it just sort of becomes a part of their daily life. Like you said, I mean I'm guessing, some people do spend all day within your membership sites. You said there is a private chat thing, which is really cool.

What's maybe one of the coolest things that has happened since you started your membership site?

Doug Linn: I think that it's really the ability to make a difference in the lives of our writers and the lives of our subscribers. So on the writers, I mentioned before, people are so thrilled that they get paid to talk about their favorite hobby.

Pat Flynn: That's cool.

Doug Linn: And people say like, "You help me play my hobby for free." And with the subscribers, it's even better because when people take this information and they use it, they can make like life-changing amounts of money. Not only are you playing your game for free but maybe you're making some money on the side.

And we had one email from a guy, totally unsolicited. He said, "I subscribed with like my last money I had basically, my last fun money I had last month. I love playing Magic. I didn't really even have enough money to get gas to drive around town. But at the beginning of the month, my trade binder was terrible. But at the end of the month, I probably made a thousand dollars from your site." He's like, "I have all the gas I need. I'm making my car payments. I'm so excited. I'm going to be a member for life."



And getting that – those kinds of emails is – that’s like the coolest part. Like the money is fine but really helping people is so cool and being able to help change people’s lives is really awesome.

Pat Flynn: Yeah, that’s awesome and you’re doing it through Magic the Gathering. Like who would have thought that that could happen?

Doug Linn: Yeah, who would have thought?

Pat Flynn: That’s awesome, man. Well, thank you so much for taking the time. If anyone has any questions, feel free to hop on to SmartPassiveIncome.com/session63 to get show notes for this and leave any comments or questions for Douglas. I mean we could probably spend hours talking about this especially getting deep into Magic and that sort of thing. I would love to see how Magic going online now has maybe affected your membership site and maybe it has helped because I know when I was sort of finishing up with Magic, maybe you can answer this really quick just because I’m curious, when I was finishing up with Magic, the actual physical part of it before I left college and sold my deck unfortunately, I told you that in email. I sold my land destruction deck and I sold four sink holes from the revised edition. And I was like, “ahh.” And those of you, who are like ...

Doug Linn: That was an unwise decision.

Pat Flynn: Yeah. This is like some of you guys who are listening, you’re like, “You guys are geeks.” But yeah, I shouldn’t have done that. But anyway, as I was exiting Magic and going to college, *Magic the Gathering* online was becoming huge. And there’s actually – you could buy packs and buy cards and virtually have them online like virtual currency. How has that affected sort of your business at all and how have you responded?

Doug Linn: Well, Kelly and I started – we call it like paper Magic and online Magic so we started and deal a lot in paper Magic. But Magic online is huge. Lots and lots of people play it because basically, you don’t have to go to your hobby shop or your friend’s house to play it. So it’s very attractive for the convenience factor. And my father-in-law plays it and he’s like he feels a little too old to go to a hobby shop and play with 20 something’s but he can load it up in the evenings and play and have a comfortable fun time. And a lot of people are like that.

Cards exchange much more quickly and like immediately for money. So you don’t have to go out and find a trading partner and put something in the mail if you’re shipping. So – but the other thing is that it’s an entirely different economy than paper Magic. So what we did was we went out and found experts in Magic online, hired them and they write and participate in our forums. And that was brilliant move. People love reading that stuff.



Pat Flynn: That's really cool. That's awesome, Doug. Well, good move. And again, thank you so much for being on the show. I'm sure we're going to have much more to chat about later, maybe offline about Magic. And maybe I can see where I can maybe get my deck back or something. I don't know.

But if people want to check you out, I know the website is at QuietSpeculation.com. And the reason it's called that is because that's can actual card that is played in the game. But where else can people go to find out more about you and Kelly, maybe there's a Twitter handle or something where people can connect?

Doug Linn: Yeah. Our Twitter handle is [Quietspec](https://twitter.com/Quietspec). We tweet mainly about Magic stuff but I think that you should still tweet at us anyway, if you like it.

Pat Flynn: Yes, say hi to [@Quietspec](https://twitter.com/Quietspec) and let them know you heard this. I remember talking to Yaro Starak from Entrepreneurs-Journey.com. He actually got his start online talking about Magic the Gathering too back I think in 1999.

Doug Linn: The dark ages.

Pat Flynn: Yeah. Well, thanks again so much. I appreciate it.

Doug Linn: My pleasure, Pat. It's been a sincere pleasure to be with you.

Pat Flynn: All right. Thanks.

Doug Linn: Bye.

Pat Flynn: All right. I want to thank Doug for being on the show. Again, you can check Doug and Kelly's site out at QuietSpeculation.com, the whole Magic the Gathering thing and it's just very cool story, lots of really cool little gold nuggets in this episode. And I hope it inspires some of you who maybe you have a hobby and you want to explore the possibilities of monetizing it. This is a great episode for you. You might also want to check out [session #37](#), which is a success story with Lain Ehmann who is now making six figures in the scrapbooking industry. Yes, it's insane. So check that out if you haven't already.

As always, the show notes are located at SmartPassiveIncome.com/session63. And until session 64, please stay safe. I can't wait to bring you the next episode next week. And also, one quick call-to-action, if you haven't done so already, I would appreciate it so much if you left a review, an honest review on iTunes for the show, a rating from one to five stars and a review to go along with it.

Hopefully if you made it this far, you enjoy the show. But if not or if you have something, some constructive criticism for me, I always welcome respectful constructive criticisms. So, give it to me. I want to know what you feel.



So thank you so much. I appreciate it. Your reviews and ratings really help the rankings of the show. So I really appreciate that. Thank you. Cheers. I wish you nothing but the best. I'll see you in 64. Peace.

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