



## SPI Podcast Session #84 –

### 3 Secrets of Successful Selling How to Turn Browsers into Buyers with Derek Halpern

show notes at: <http://www.smartpassiveincome.com/session84>

**Pat:** This is The Smart Passive Income Podcast with Pat Flynn Session #84. Go!

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, he once had a spitting contest with a camel at the San Diego Zoo, Pat Flynn.

**Pat:** Hey, what's up? It's Pat Flynn and welcome to Session 84 of The Smart Passive Income Podcast. I'm so excited you're listening. And in fact, I'm looking at the clock right now in my home office. It is 1:58AM. If you've listened to my show before, you know that I work late but this is a special one because I'm actually recording this podcast early in the morning so that I can get it done before a cab picks me up in just a few hours to take me to the San Diego airport so I can fly to St. Louis to deliver the opening keynote for the Financial Blogger Conference.

And I'm super stoked because this is my first keynote and I've been working really hard on this presentation. There will be a video of this presentation later on so hopefully I'll remember to link to that video in this particular episode.

But what is also cool is that my guest on the SPI Podcast today, he is going to be there as well. Now, I'm delivering the opening keynote and he's actually delivering the closing keynote. And this is none other than one of my good friends, Derek Halpern from SocialTriggers.com and I'm really excited to bring him on because he just has a very unique way of explaining things.

He's very smart. He always cites case studies and research and he just backs everything up he says with data and facts, which I love. So we're going to hear a lot of that today. We're also going to hear about how he got started online which I know a lot of you who know Derek don't really know the details about how he got started, and it's actually really interesting.



So what we're going to talk about today is selling and getting more sales when you're doing launches and selling products, higher conversions, and basically how to convert browsers into buyers. And like I said, Derek has a lot of great examples to help us get there. So let's just dive right into the interview. Here's Derek Halpern from SocialTriggers.com. Enjoy!

Derek, dude, what's up man? Welcome to the SPI Podcast, bro.

**Derek:** Hey, thanks for having me. I'm pumped to be here.

**Pat:** Dude, we have an interesting relationship because I mean a lot of people don't know this but we are really good friends. And when people hear that they're like – well, when I tell people that you're a good friend of mine, they're like, "Really?" Because we have such different styles when it comes to presenting ourselves online and who we are, I mean we talked about this all the time but for some reason we just go together like I don't know peas and carrots or something.

But I mean it's just I always love talking to you. Whenever we meet in person at a conference, it's just we have such a good time so I don't know. I don't even know what it is but I'm just really happy to call you my friend. So thank you for coming on the show.

**Derek:** Dude, I really appreciate that. I think it's partly because even though we have different styles, night and day styles if you will where you're a lot more of a nice guy and maybe I'm just a little bit, just a tad on the red side, I think the bottom line is that we're both authentic to who we are, right?

**Pat:** Yeah, exactly.

**Derek:** So I think that's the secret.

**Pat:** Awesome. Well said. Now, I do want to start with your story. We're going to get into some selling techniques and conversion techniques and things that are going to help us convert browsers into buyers, which are some really interesting stuff actually. But before that, I think a lot of people out there don't even know how you got started, Derek.

I know a lot of people know you sort of came about in the last couple of years by putting yourself into these big blogs and these big websites doing conversion strategies



for these big name bloggers like Chris Brogan and myself and Corbett Barr, I mean that's how you got your name in this sort of IM space and become the center of psychology area in internet marketing and online business. But before that like what were you doing? How did you get into online business in the first place?

**Derek:** It's so funny that you asked that question. Now, I want to answer in just a second. But first, I want to let everyone know that you mentioned we're going to be talking about some conversion strategies later in the podcast and I want them to know that there are three things I want to cover later is I want to talk about why people selling scared is the main reason why people fail to convert their browsers into buyers.

And I want to talk about why I don't sell often but when I do sell, I sell hard. And also, I'm going to reveal something to the Smart Passive Income listeners that I've never talked about before called the bonus sandwich.

**Pat:** Sounds yummy.

**Derek:** Yes. So I'm really pumped to talk about that. But let's talk about I guess my history, right? I was in college and like most college kids I was procrastinating on doing my college homework. So I was reading a website, a website written this super arrogant guy where all he talked about was all the dumb things he did in college. He was hilarious. One day, I accidentally clicked advertise on his website and I saw he was getting \$500 a week for ads.

**Pat:** That's how much he was asking for ad on his site.

**Derek:** Yeah. There were five ads there. Now, here I was thinking like, "Wait a second. This dude is making that much money and all he's doing is writing about the dumb things he did in college. I do dumb things every day. I can make money doing this." So what did I do? I started my first blog, 2005. And in this blog, I talked about the dumb things that I did in college and nobody read it because I wasn't that funny. I wasn't that good of a writer. I failed. I wasted like two months trying to build this site and nothing happened.

So I went back to the source, my inspiration. I went back to that site. I was trying to figure out why was I failing while this guy was succeeding? And I accidentally clicked on a link to a celebrity gossip blog. The name of this blog is irrelevant but I clicked on this link and at this point, I was an expert. I went right into the advertise page. And I saw this dude was getting like a thousand dollars a week for ads and there were a million of



those ads there. I was like, "Wait a second. I can make more money and I don't even have to make fun of myself. I can make fun of other people." And thus my celebrity gossip site was born in March 2006, I think.

**Pat:** Yeah, you always talk about that. And like, how did that work out? How did that go for you?

**Derek:** It went really well because at that point, I kind of have been around the block a little bit. I kind of understood how to promote my blog. I learned a lot about blog promotion. The problem was when I was promoting my site about doing dumb things, I wasn't that funny. However, when I was promoting celebrity stuff, celebrities do dumb things all the time so I don't even have to try that hard.

So I remember, I launched in March 2006, by February 2007, I attracted I think it was more two million visitors in a month and that was the first time, if my memory served me right, it was February 2007 and I did more than \$20,000 in revenue that month.

**Pat:** Holy moly!

**Derek:** So within 12 months, I was already making more than \$20,000 a month.

**Pat:** Wait, wait, hold up. Like how did you – was it just simply the fact that you're talking about these celebrities and this was just something that was wide open at that time? Or what was special about your site compared to all the other celebrity gossip sites?

**Derek:** That's a great question and there is something that even though when I was a green pea when it came to building websites, there was one thing that I knew was vitally important and it was all about positioning, was positioning.

Well, back then, I analyzed all the top celebrity gossip sites and I noticed there was these straight guys who talked about half-naked women or the gay guys that were super snarky, there were the moms that talked about celebrity babies, there were the fashion blogs that talked about celebrity fashion but there was no one that would take the vain of like that straight guy's snarky stare who made fun of celebrities.

So that was kind of my brand, was I known to be this straight dude that was just kind of snarky on celebrities, kind of like a straight Paris Hilton.



**Pat:** OK. That's interesting. And you're OK with that. I mean that's like you're making fun of other people and I mean we talked about it. Sorry, that's not who I am. I mean I'm not saying that's who you are but you just saw this opportunity and took it.

**Derek:** Yeah. So I actually didn't care about celebrities. I was just doing it because I was in college and I was trying to figure out how to make money on the internet. And I did. I killed it. In 2007, I made a ton of money. I've attracted like 30 million visitors to my website in 2007. I even had a publicly trading company that approached me to buy out my site. That's how much traffic I was getting.

**Pat:** Nice.

**Derek:** Yeah, so crazy. And I guess I could talk about that story another day but in 2007, I learned a really hard lesson where I probably lost out on about a million dollars at 22 years old because I made a stupid mistake when building my site.

And long story short, the stupid mistake was the fact that I was getting all these traffic to my site and I was doing everything in my power to convert that traffic into ad clicks because at that point, I relied on advertising. More clicks meant more money. So I took – I overloaded my site with ads and I generated all this traffic and I kept none of it because I was sending them to ads all the time.

**Pat:** Right. You're sending them away.

**Derek:** Now, what's funny is when I was getting that buy out from that publicly trading company, they offered me somewhere around six figures for the blog but if I had – instead of not – if I wasn't focusing on ad clicks but instead built an email list, I probably would have gotten over seven figures for my blog.

**Pat:** I see. And that was the mistake and that's – I'm guessing that's why you got so into conversions and email list after that. And sort of now, you're known as that because that was a huge mistake for you before.

**Derek:** You only need to lose out on a million dollars once to never do that again, right? So that's what happened. I became Mr. Email after that even though I was a little – I didn't become Mr. Email right away. At the end of 2007, I was still doing the gossip stuff. I was doing really well. I kind of rebounded from all this garbage. And I was at the press when I was working on because I had a gossip site, a fashion site, a makeup



site, all these stupid sites I didn't care about. I was just doing it for the money. And I decided to quit web stuff and I got the corporate gig. But that's kind of boring.

**Pat:** How long did you have the corporate gig?

**Derek:** I call it my lost years.

**Pat:** Your lost years.

**Derek:** Derek Halpern lost in paradise and I did it for like two years before I finally got the heck out of there because even though I learned a lot while working in a corporation, my personality and ambition wasn't suited for the slow pace, conservative, Fortune 100 company environment. So that's how that kind of happened.

**Pat:** And then is that when you started [Social Triggers](#)?

**Derek:** And then – yes. So after I quit, I kind of had a little bit of a hiatus before I finally launched Social Triggers in March of 2011. And the reason why I launched all started with one single lunch. I had lunch with my friend, Terry and I was complaining to him about how there were all these big marketing blogs and they were getting tons of traffic, getting book deals, getting all these credibility [Indiscernible] and I'm sitting there thinking like, "I know more than these guys and these guys aren't even giving good information. I can do this better." And Terry just looked at me and he goes, "Well, prove it." And Social Triggers was born. I'm not one to cave to a challenge. I like challenges.

**Pat:** So what was the difference before you went to corporate versus after? Because I mean a lot of people are still doing well in the celebrity niche. I mean, why did you want to stay away from that this time?

**Derek:** I stayed away from it because I didn't care about it, right? What I noticed while in corporate America, I developed a reading habit. Everything I read about the psychology of persuasion or marketing or business, that's what I love. That's what fired me up. And I had a proven track record of building profitable businesses. So I realized that I had a skill set that people wanted to learn and I felt compelled to share it.

And I started it because I want to build another business, mind you. Well, I want to build a business doing what I love to do, which was teaching people about emails, conversions, sharing my dumb mistakes that I've made while building different business





so people can learn from my mistakes so they don't have to make them. And that's kind of the initial inspiration for the Social Triggers.

**Pat:** And then your positioning, going back to what you said earlier, is the psychology which I feel is really smart. I mean before you came along, I didn't know anybody who was talking about that probably because there was nobody qualified to talk about that until you came along.

**Derek:** Yeah. Well, it's not even that. It's that there are probably people who were qualified to talk about it but no one was doing it because that's not what they were focused on. And as I said back in the gossip, I knew about the power of positioning. Most people skipped positioning and it's so dumb when they do that because positioning before you launch is the most important thing you can do.

And I knew that if I wanted to have a blog that people remember and I wanted them to go to my blog and know right off the bat, Derek: Psychology Marketing. No one else is talking about this. He is the place I have to go to get this information.

**Pat:** Right. And it's very apparent in all of your content, your Social Triggers Insider Podcast which I highly recommend everyone subscribed to. It's excellent, some amazing guests that I haven't seen on any other podcasts.

You listened to these other podcasts and they're great but you're listening to the same person over different podcasts. Like I know a lot of people have listened to me over 50 different podcasts. They're probably sick of my voice by now. But everybody you've interviewed, they're from business schools and like incredibly renowned authors that I haven't seen anywhere else but on your show. So for that reason, I highly recommend your show.

You also have a great set of videos and you've been really hot on the videos lately. All of them are done really well, high quality, all psychology-based. I mean in any content that Derek produces, you can tell that that's your positioning and you do that really well, Derek. And I've learned way – I mean I've learned a ton from you. So I just have to thank you for helping me out as well. Just congrats on all your success, dude.

**Derek:** Dude, thank you. I appreciate that. I mean it's tough to focus on that but that little difference is why in the last two and a half years, [Social Triggers](#) went from scratch to more than 125,000 subscribers because people know that when they get my podcast as an example, they're going to get a podcast from someone like Francesca



Gino who is a Harvard Business School professor where she focuses on like decision-making and how people get sidetracked on their decisions, or you'll find someone like the Heath Brother, Dan Heath who is a New York Times bestselling author, or you'll get someone like Mike Del Ponte who launched the Soma Water Filter. Like you basically go there and hear a guest that I'm trying to show guests that aren't everywhere else because I believe that's most respectful to my listeners.

**Pat:** Yeah, that's awesome. And that's like – it's funny because I also have a lot of guests on my show who nobody has ever heard of before but they're on the sort of opposite end of the spectrum.

They're not world renowned or they're not these high-named authors. They're people who have these businesses but nobody has ever heard of them before who are sharing their own life experiences. So I think both you and I together, we sort of round it out quite nicely.

**Derek:** Yeah. I think you do it great. I mean if you're not going to go for the world renowned people, you could feature people just like your listener because it's very inspirational.

**Pat:** Right. I mean those are some of the most popular shows actually.

**Derek:** Yup, I bet.

**Pat:** But today, we have a big name, Derek Halpern, of course from SocialTriggers.com. And let's get into talking about selling now. Now you mentioned earlier, you had three things you wanted to cover and we can discuss these together. But the first one I'm really interested in because I have sort of went through something that has to do with this fairly recently when I released Breakthrough Blogging, it is why selling scared is the main reason why people fail to convert browsers to buyers. I mean that's such a strong headline in itself. But talk about that for us a little bit.

**Derek:** Well, when most people start selling, they'd shoot themselves in the foot before they even get started. They think that subscribers are going to revolt because they're finally selling something to them. They think no one is going to buy what they're selling. And then they start to use these horrible qualifiers that kill their conversions. They're literally punching themselves in the face.

**Pat:** Like how? How are they doing that?





**Derek:** Well, I want to talk about that specifically in just one second. But first, I want to share a funny little story because this reminds me of a story back when I was 18 years old in college and I was trying to flirt with women. In my head like most men, I didn't have much confidence as an 18-year-old trying to flirt with girls.

So I made up all sorts of excuses that explained why I was bad with women. It wasn't me. It's because I'm short. And you know what? I believe it too. I thought I was bad with flirting because I was short. You see, my friends at that time were, they were like six feet or taller and I wasn't. So I assumed that I was bad because of my height.

And then one day, I even proved it to myself. I walked up to a girl at a party and I was like, "Hey, I'm Derek. What's your name?" She said, "You're too short." And walked away. Dude, that actually happened.

**Pat:** That's not cool.

**Derek:** I then used that one example as proof of why I didn't know how to flirt with girls when I was 18 years old. What's funny is, that really only happened once, probably at a hundreds of interactions. It was clearly not the problem but I used that one example as proof and I used it to hold myself back.

Now, what does that have to do with selling? Well, if you expect people to hate you for selling, guess what? They're going to hate you. And even if you don't get that many haters, you'll probably have at least one hater and you'll focus on that one hater like I did that one girl. And if you focus on that, you'll then start selling scared.

At which point, no one is going to buy what you sell because if you're scared to sell what you're selling, imagine how scared the buyer would be buying.

**Pat:** Right. Well said.

**Derek:** So you have to be confident. Now, what is an example of selling scared? Have you ever stumbled on a sales pitch, Pat, where someone says something like, "You should buy this because I kind of think it's going to help you in your situation,"?

**Pat:** It's sort of kind of a – it's not a very solid pitch and it has a very – I mean it's not very confident at all when you say it like that.



**Derek:** Yeah. But I mean I see people who sell like that. As another example, one of my friends, every time he sent out an email to his list where he's selling something, he used the subject line, selly sell. Oh my god! He thinks he's being transparent. But what he's really doing is just displaying his own insecurity about selling to all of his subscribers.

And what's funny is what I really hate about this is you have some people that think that's a good idea and they would say, "Good idea, man. You're really being authentic." But it's not really being authentic because if you have to alert people that you're selling because you're scared those people are going to get mad at you, do you really want those people on your list?

Let's take this back to your – when you launched Breakthrough Blogging. Remember the comments – why don't you tell us about those comments and how – I remember I had to go in there and fight with people in your comments section for you.

**Pat:** Well, I released Breakthrough Blogging as you know and I expected a little bit of backlash and I knew there was going to be a few people who were expressive of their – they were just used to getting stuff for free from me all the time and I knew the moment that I was going to put something up for sale, I was going to get a little bit of backlash. And so of course, there were a couple of those comments.

And I'm really thankful for the community at SPI, most people who like responded to that person even before I saw that comment and you responded yourself, Derek. But it was just really interesting.

And for me, myself as a seller, I knew that this is something I have to sell. I was confident in it which is why these negative comments didn't bother me at the time. And the moment you start letting these types of comments – if you're confident in what you're selling then you have to keep going strong and keep moving forward with it.

But it's the moment that you start to doubt yourself and getting influenced by other people who say things like that that make you start to doubt yourself in what you're selling, that's when you're in trouble because you shouldn't ever sell anything that you're doubtful of.

**Derek:** Yeah. But what's funny is I actually would go so far as to saying that if you think you're going to have that backlash, you're going to telegraph that in your copy and the backlash is going to happen because you think it's going to happen. What's



funny is, when I did Social Triggers, I never thought I was going to have any backlash whatsoever. And I gave away a ton of valuable at [Social Triggers](#) for 13 months before I sold anything, my first product. And I actually remember getting almost no backlash when I launched that product.

**Pat:** I mean I got 95 percent positive response from releasing this product even from people who couldn't buy it at the time. They were just so happy for me to finally release my product. And there was that small percentage of people who disagreed with that move.

But like I said earlier, I mentioned this even in another podcast, this is the smart business move for Smart Passive Income. If I want to create a long-term business, I have to create products of my own and sell them.

That's what I want you to do if you have your own business and you have your own audience and you really care for them and you want to have a long-term business, you have to create products of your own because I was making money as an affiliate for so long and I still am but it was risky or it is risky because at any time those affiliate relationships can get cut off or those companies can get bought out or die or go away. And that's money coming into my house, that is not under my control and that's scary.

**Derek:** Very scary! And what I think we should – I guess the key takeaway when you're dealing with selling scared is just realize that maybe 5 percent of your readership is going to hate you for selling. But guess what? You got to get them off of your list because they are just there, they're going to free load and create headaches. If they give you crap, just delete them out of your subscribership. I happily delete people from my list.

**Pat:** I think another thing is a lot of people – I mean like nothing changed on SPI. I just added something new to it for people who wanted a little bit more help and some advice and things like that and a place to go to with the forum. That is going to take my time. But nothing on the front end, I mean I'm still providing all that free information. Nothing has changed for these people. I mean a few people saw me selling something and I believe and you mentioned this I think in one of your comments, they just were angry that I was making more money.

**Derek:** Yeah, of course they were. I mean that's what happens, right? When you do sell something, people start to – here's the bottom line, when you sell something that people want and they can't buy it, they don't take accountability or responsibility for



that. They rather point their finger at you and call you greedy. I mean it's the real sad truth.

I'll never forget when there was this one time I offered a product on a webinar or what not and someone emailed me. They're like, "Oh Derek, that's way too expensive. I would never pay that much. You don't know how to price your products and services." And I responded.

I was like, "Do you have a graduate degree on pricing and assessing value of products when you don't even really know what's in the product?" And I remembered she responded. She goes, "Well, I guess not." I was like, "Well, what makes you feel qualified to give me advice about how I price my products?" And she goes, "I guess you're right. The real reason was I just couldn't afford it and I feel like I was being left out." This is a real conversation.

**Pat:** Interesting.

**Derek:** So this is what happens. When you get those haters, those haters don't hate you. They usually hate themselves.

**Pat:** Yeah. I mean selling is interesting especially if you've been building an audience and delivering content, high value content for free and giving away things. The moment you start selling some things, things start to change. But you have to realize that if you do it confidently and you know you're doing it for the right reasons, that change is good.

I mean I've talked to people about this before Breakthrough Blogging, I knew that it was going to be different. But it's a good different. I have to do this for my business to move forward and to be secured and so I can continue to provide free content down the road and down in the long run for people.

**Derek:** Yup, absolutely. Actually, this kind of leads us to the next thing I want to talk about which was why I don't sell often but when I do, I sell hard. Like you said, the front end of the website when you start selling rarely changes. With me, when I started to do it, it didn't change for me.

What I did was, I don't sell things every day of the week. There are some people out there who think you should be pitching every day. I think that's rude. I believe you



shouldn't sell often. Maybe sell once a month or once a month or once every two months. But when you do sell, sell hard.

Now, I guess let me just give you an example. When I first launched my product, I did not sell hard. And what happened was, I actually remember, I did one webinar and then I did a replay of that webinar and then I closed down my product.

**Pat:** So two point of sales.

**Derek:** Yeah, two point of sales. That's it. And it did well. I mean I sold a lot. I made a ton of money off my first product and I almost used that as evidence that what I was doing was working so don't change it. But deep down I knew I could do better. So I went from doing just a webinar to announce a product and I kept integrating on my product launch to hone it, to craft it, to make sure I was increasing conversions. I started with just a webinar.

And when I most recently launched my product, not only did – I had so much more than a webinar, I had pre-sell blog posts, pre-sell videos, a webinar, a 30-page sales letter, more email follow-up. All in all, when I first launched, I sent two emails to my list. And later on, I ended up sending about seven emails to my list all in like a 12-day span about the same product launch.

**Pat:** Now, I know some of the listeners out there are like, "Wow! Seven emails in 12-day, that's kind of overkill."

**Derek:** But it's not overkill. A lot of people would say that's overkill but here's the deal. When you're trying to launch a product it's not just about, "Hey, buy my product." It's about giving people enough information so they can make the right decision.

So I wasn't sending them the same emails seven times. One email was about one concept. Another email was about a different concept. Another email was about, "All right guys, enrollment is now open." Then another email, I did some more follow-up. Then another email was about case studies. Then another email was about a webinar. It was always different stuff to try and promote this product. Instead of relying on just one announcement, I built up the desire and made people want to buy.

Now, what's funny is a lot of people are like, "Oh, seven emails! I would never do that." Well, guess what? I tested it. I tested something very interesting. I took three different



groups of subscribers and I segmented them out. One group got three emails, another group got five emails, another group got seven emails.

**Pat:** All within the 12-day span?

**Derek:** All through the course of the launch, right? I wanted to see, did more emails mean more revenue and what happened? You know what I found out? Let's say there was 10,000 people in group one, 10,000 people in group two, and 10,000 people in group three. No matter how many emails I sent, by the end of the launch I lost two percent of my subscribers.

So if I sent three emails or I sent seven emails, two percent of the starting total unsubscribed. Meaning one thing: if people are going to unsubscribe during a launch, they're going to unsubscribe during a launch, period. Less emails doesn't prevent it.

**Pat:** Right. Like imagine someone getting five emails and then saying, "You know what? If you send that one more, I'm going to unsubscribe." Like I can't imagine that happening.

**Derek:** Exactly. Now at this point, a lot of people are like, "Well, was that overkill? Did you burn those people up?" So I did a post-mortem. I waited a few months and I then rechecked some of these subscribers and I found out something. Those subscribers, no matter how many emails they got, there was no statistically significant change in activity. But do you know what did change between three and seven emails?

**Pat:** Sales?

**Derek:** Sales. When I first launched my product with just a webinar to when I launched my product with a whole launch sequence, I did 300 percent more sales.

**Pat:** Now, is that just a matter of just send them more stuff or is there a very specific sort of way of doing that? Like hey, can you outline that? I mean just really quick. I know we could do a whole podcast of sort of about a launch sequence but I mean can you give us a gist of OK, what happens first, maybe what happens next?

**Derek:** Yeah. So if you really want to break this down, it's something that I could go on to detail for like weeks.

**Pat:** I know you could.





**Derek:** I can't just boil it down into a formula for you. But what I can do is this, the point of the sequence is to make people want what you're selling before you sell it then announce that it's for sale, finally, convert the people who are on the sidelines into buyers. Those are the three stages of the launch.

"Hey guys, I'm going to be selling something but right now, I'm going to give you some value. Hey guys, I got some more stuff I'll be selling. Here's some more value. Guys, it's for sale. If you're on the fence, here is what you need to know." Testimonials. "Guys, it's closing down." You see how that works? That's kind of like how the structure is.

**Pat:** Yeah.

**Derek:** Now, there are specific things to say in each one of these emails and there's a specific way to phrase your offer. But that's the gist of it.

**Pat:** And when people go through your launch sequence, I mean they're on your email list of course and they're getting the sequence of emails, once they buy, they're off the list, right? Like they're not continuing to get those emails, is that right?

**Derek:** Yes, exactly. So if they've bought the product, they're not going to be pitched for the same product again.

**Pat:** OK. Because that's really important because I have purchased products before in a launch sequence just like that. I mean it works but then I got pitched to again like after I purchased it and then I was like, "You know what? Maybe I shouldn't have this product." So you got to be very careful when you do this and make sure it's all set up.

**Derek:** Sometimes that happens and sometimes it's like a mistake but most people like to segment that stuff out.

**Pat:** Yup, yup. Cool. So going back to the fact that you don't sell often but when you sell, you sell hard.

**Derek:** Yes.

**Pat:** That's the launch sequence. But does that also include like what you say? I mean selling hard can be interpreted as more emails or it can be interpreted as, "OK, guys.



Like this is seriously going to change your life like if you don't get this, you're going to be loser." Like that's selling hard too. But I mean ...

**Derek:** Well, selling hard doesn't mean you sell hype. Selling hard to me is don't be scared to ask for the sale. When I'm selling, I want to tell you exactly why you should buy what I'm selling. I'm not going to be like, "Oh PS: I have this product. If you're interested, check it out."

**Pat:** Right. I know a lot of people who kind of hint that, the little sale at the end.

**Derek:** Yeah, don't do that. That's a mistake. I mean if you believe in what you're selling, if you're not selling hard, your competitors are. And chances are, you probably think your product is better than your competitors. So why would you let them pick up those sales that one, you rightfully deserve, and two, is better for your customer. If you don't sell hard and a lackluster competitor gets that customer instead, you actually did your customer a disservice.

**Pat:** Yeah, yeah. Very, very, well put, Derek. Now, let's talk about, closing up here, this bonus sandwich. I mean this must have to do with selling as well. I don't know if this is something that you would include in the launch sequence. But it sounds very interesting. And I made a stupid joke earlier how it sounds yummy. So I'm not going to say that again although I already just did. But anyway, what is the bonus sandwich?

**Derek:** All right. When you want to sell something, it's smart to provide strategic bonuses and incentives to increase conversions. If you don't offer bonuses and incentives, you're going to leave a ton of revenue on the table. So don't do that. The question is what types of bonuses or incentives should you offer to generate maximum number of conversions?

Well, before we talk about the bonus sandwich, one example of an incentive and you see people do this all the time, they give a discount like a time-limited discount. Have you ever seen people do that?

**Pat:** Yeah, it happens all the time.

**Derek:** Well guess what? Those are stupid incentives. All right. If you're discounting your products, that means you don't value what you're selling and you're sending that message to your customers.



There's this big story about J.C. Penny about how – I don't know the exact numbers on top of my head but it was like 98 percent of their sales at J.C. Penny was because of sales. Like almost all their sales came in at 50 percent off or more. And then one day, the CEO got a bright idea like, "All right. You know what? I'm sick of these sales. Let's just do everyday low prices like Wal-Mart." So instead of selling a \$14 shirt for six bucks, we'll just sell it for seven bucks every day of the week.

Well guess what? People hated it. People were accustomed to sales. People looked at those sales like crack. They just needed sales to buy. And if you're discounting your products, you're going to train your list and your customers to only buy from you when you're giving a sale. Don't do that.

Now that said, there's another type of incentive that isn't a discount. It is a value-added incentive. And value-added incentives are the best as long as you package it the right way. Now, I'll talk about packaging and the bonus sandwich specifically in a second. But what's a good value-added incentive?

Well, you want to give away something related to what you're selling. If it's not related to what you're selling, it's not going to help increase your sales. I've seen people like give away a Kindle when they buy this course. I couldn't help but scratch my head because a Kindle is nice but what does that have to do with what you're selling? Nothing.

Bonuses for the sake of bonuses might convert some people over but the best way to convert the maximum number of people over is to offer something related to what you sell.

**Pat:** So like if you're a bank for example and you are selling a checking account like whatever, you want to give away free checking instead of like a stapler or a calculator.

**Derek:** Exactly. Or like with a lot of banks say, "If you open a savings account, we'll put the first \$100 in there for you."

**Pat:** Right.

**Derek:** Think about that for a second. They're offering a savings account, it's because you're trying to save money. And what better way to save money than to just be given a hundred bucks?



**Pat:** Yeah. I've seen that before. I've seen 25, 50, 100 as opposed to a free calculator. Like what is that?

**Derek:** Well, who cares about that free calculator? I mean even like when I have a blog training course and like one of the things I do with bonuses, tend to be advanced trainings. Like here is the basic stuff. The bonus will be advanced copy writing or advanced SEO. And that's another example of offering related stuff.

Or if you're selling WordPress themes, offer a free plugin. Or if you're selling let's say, Bluehost, you can offer a free step-by-step guide of what they should do after they install their Bluehost blog if they buy through your affiliate link.

See how that works? And what's great about that actually, if you offer a step-by-step guide, "After you buy, all you got to do is email me your Bluehost receipt." You know what the best part is? If you get people to email you their Bluehost receipts, now you're going to get their name and their name as a buyer and you'll know who bought.

**Pat:** Right, right.

**Derek:** So that's amazing. Now, let's keep going. Now, how does this all tie in? Now, how do you package these bonuses the right way? That's the real question, right? When you sell your product, you're supposed to give your bonuses away for free. I'll repeat that. When you're giving bonuses, you sell the product, you give the bonuses away for free. You do not sell the product and bonuses as a package price. I'll explain.

Back in the 1980s, Jerry Berger, ran an interesting research experiment. He was running a psychology club bake sale or whatever. And if people stop by the table and ask about the bake sale and ask about what was going on, this is when they were experimented on.

One group of people were told that they could buy a cupcake and two cookies for \$0.75. The other group of people were told they could buy a cupcake for \$0.75 and get two cookies free. The same thing, cupcake and two cookies for \$0.75. One was sold a package for \$0.75. The other was sold a cupcake and they would get two free cookies. What do you think converted better based on what I've just said?

**Pat:** The second one.

**Derek:** The second one. How much better do you think it converted?



**Pat:** I don't know, over 50 percent I would say.

**Derek:** So, here is what happens. The first offer, the offer where you were getting one cupcake and two cookies for \$0.75, 40 percent of the people bought, 40 percent. Now, check this. That means four out of ten. The second group where they were told they can buy a cupcake for \$0.75 and they get two cookies free, 73 percent or seven out of ten. Four out of ten, seven out of ten. Insane!

**Pat:** So it's about a 75 percent increase.

**Derek:** All because they sold the product and gave the bonus away free.

**Pat:** Right, the packaging.

**Derek:** That exactly. Now, I know it sounds kind of cheesy but it works really well. I used the same strategy when I sold a product earlier this year as an affiliate, I made the top affiliates for Marie Forleo's B-School launch and it was all because I've added strategic bonuses that I gave away for free, [bonuses](#) related to the sale.

Actually, I don't if you want, but you can link that up in the show notes and I'll make the page live. I mean nothing is for sale anymore because the launch is closed but you could kind of see how I structured that offer if that's interesting.

**Pat:** OK. Yeah, yeah. No, that is. And I do that sometimes with a lot of the products that I sell as an affiliate too. I'll add my own guide to it or like for OptinSkin, I actually had a developer who created additional skins for that plugin as a secondary plugin like it related. And the way it was packaged was, if you bought through my affiliate link, you would get that for free.

**Derek:** Isn't that great? And it does wonders for converting these people into buyers. Most people just try to sell as an affiliate and don't give anything away. But giving that little something away can be the difference between conversions that make you happy and the conversions that make you go, "Woohoo!"

**Pat:** Now with these bonuses, I see a lot of people say, "OK. You get this bonus that has a \$79 value for free." And they always put a value to these bonuses. And my question is like sometimes, yes, they do have a value because you can actually see that



they're being sold for that much but a lot of times, people will create bonuses and make up a number to go with them. And to me, they're just not believable.

**Derek:** Yup.

**Pat:** I don't know how you feel.

**Derek:** Some people that lie about the prices and customers are savvy to that.

**Pat:** Right.

**Derek:** That said, you should assign a value to your bonuses. Like when I did the [Marie Forleo](#) thing, I gave away a free one day event in New York City.

**Pat:** Wow!

**Derek:** And I mean I label that bonus as a thousand dollar value for that one day event. If you really think about it, that's really what it's worth. If were selling an event like that, I'll probably sold it for \$2,000 actually. But I labeled the value on it and I gave it away for free as a bonus.

**Pat:** Right. I mean that makes sense but I mean people who create these ebooks.

**Derek:** Yeah, don't make stuff up because it's not believable and it can actually ruin your credibility and you don't want to do that.

**Pat:** OK. That's what I was trying to get.

**Derek:** Now, I guess the next step is we're talking about bonuses but what's this bonus sandwich, right? Well ...

**Pat:** What is it?

**Derek:** I want you to look at it like this. Your product or service that you're selling, that's the meat of your sales pitch. Now, the problem with selling the meat is that the meat is lacking the bread, the bread that goes on top of the meat and the bread that goes on the bottom of the meat.





I'll explain. I believe good bonuses are vertically integrated into whatever it is that you're selling. Vertical integration is when you give away a bonus that's vertically below what you're selling and/or vertically above what you're selling, bread on bottom, bread on top, meat, bonus sandwich.

Now what do I mean by the bread on the bottom? Well this bonus, the bottom bonus, you're focused on giving away something that's preventing your ideal customer from using the product or service right now.

As an example, if you're like selling WordPress themes, one of the things that might prevent someone from buying a WordPress theme is the fact that they don't even have a WordPress website, right? So an example of the bread bottom would be, if you buy this WordPress theme, you will get a free WordPress setup with the purchase of this WordPress theme.

**Pat:** Nice.

**Derek:** How your bonus converts these people that don't have websites into people who want to buy your theme, the bread on the bottom. You see how that works?

**Pat:** Yeah, yeah, yeah.

**Derek:** Now, that's the bread below. Check. Now, the same example, what's the bread on top? Well, that's when you offer a bonus that comes after people get and start using your product. So working off the WordPress theme example, the WordPress setup comes before installing WordPress theme, what after it? Maybe tweaking your theme for maximum conversions, right?

So the perfect bonus there would be a guide to increasing conversion rates on your blog. So now, you're giving away a WordPress setup, a WordPress theme, and an ebook to increase conversions. Bonus sandwich. The whole point of this bonus sandwich is to turn as many browsers into buyers as possible by creating bonuses that address the objections that your customer may have to buying what you sell.

**Pat:** I love it. I love it. So if I – for example, we're going to sell an ebook about how to write an ebook for Kindle for example, a bottom bread piece could be how to write a good story or a free ebook on how to write a good story or how to be a great writer or something that has to do with what I'm eventually going to create.



**Derek:** That empowers them to write the ebook, yes.

**Pat:** Right.

**Derek:** And so, after would be how to market your ebook.

**Pat:** Exactly, exactly. I love that, the bonus sandwich.

**Derek:** The bonus sandwich, and it works for everything like even if you're selling consulting or services. Let's say, you're a web designer, right? What's one reason why people may not want to buy a web design? Well, they're worried that you're going to mess up their site.

So you're selling a web design. Bonus one, the bottom bonus is that you will back up their entire site and ensure them, if something goes wrong, you can revert back to their old design instantly. That's bonus one to allay objection, number one. Bonus two, the bread on top for web design could be maybe people are worried that the web design they're about to buy is not going to convert like they had hoped. At which point, bonus two would be you give three hours of advice or consulting or web design time for me to tweak the design for better conversions. You kind of see how that works?

**Pat:** Yeah, dude. That's sweet.

**Derek:** That's my bonus sandwich. And when you create these bonus sandwiches, your initial product, the product you're selling like the theme, the design, the ebook is actually – gives the impression that it's worth more. So when you bonus sandwich the right way, you can sell your products for more money.

**Pat:** Yeah, that's great. I'm just trying to – yeah, dude. That's awesome. I love that. I'm going to need to try that out and think of – for example, my LEED Exam site. I have a lot of opportunities to do some sandwiching.

**Derek:** Yeah.

**Pat:** What's on the bottom, I'm still trying to think of. But what's on top is OK, well, what happens after you passed the exam. I mean I don't even address – I mean for me in that site – and the issue with that site is right now, Green Exam Academy is what I'm talking about, is once people passed the test, I mean they're done with me.



**Derek:** Yeah.

**Pat:** And there's got to be a way to hold them after and perhaps starting that conversation in a bonus after they make a purchase or with their purchase will keep them on to my brand and I can perhaps at least put them into a product as an affiliate that can help them after they passed the test. I'm just thinking out loud here.

**Derek:** Like even something like – I don't even know what the Green Exam Academy is but I know that's your site but I don't really know what kind of jobs you get for that.

**Pat:** I thought you're my friend, man. I'm just kidding.

**Derek:** But I mean like you might even give something like, "All right. Now, that you're ready to get the Green Exam Academy, here's how to do it and get the highest salary."

**Pat:** Yeah. No, that's good. "OK. So you passed the test. Here's how you can use your LEED AP credential to approach your boss to get a higher salary." Which is exactly what I did. Dude, that's so smart.

**Derek:** So you did it?

**Pat:** Yeah, I did that. I did that in March 2008. I passed the LEED Exam and then I approached my boss and actually threatened to leave the company kind of ironically if they didn't bump up my pay. And I shared the LEED AP exam and I shared, back then it was called, TheLEED.com.

But the website that I created that helped my notes which eventually turned into this business but it was only created just for me, I shared that with my boss and he was really impressed. And I didn't even make the connection that I could share this with the rest of the world until I got laid off, which is really interesting.

But anyway, I did that. I approached my boss and I said, "You know what? I did this and I am this focused on becoming an architect or a world renowned one if possible one day and I feel I deserve this raise. And I got one. I actually bumped my salary up from \$38,000 a year to \$66,000 a year.

**Derek:** Just by passing your test. Don't you think that people who passed the test want to know that?



**Pat:** Yeah.

**Derek:** Duh. So that's kind of how the bonus sandwich works. And I believe if you're selling anything, the bonus sandwich can work to help you convert more browsers into buyers. But remember, you want to sell the product and give the bonuses away for free. And at this point, you want to make sure you're not going to give away something that you had previously sold to someone else because that makes them feel bad about themselves. You want to like with me, when I give away bonuses, I could sell them separately but I don't.

**Pat:** You get more bang for your buck if you include them into it.

**Derek:** Exactly. The only way to really get them is to buy them.

**Pat:** Got you.

**Derek:** As a package even though they're getting this product and they're getting those two free, they could buy them individually if they ask but I try to not down play that because I never want to people to be in the position where they bought this product but now they're getting it for free. At which point if that is the case, the smart way to do it is like, "Oh, if you bought this product within six months, you can use what you paid as a credit towards this other product or something like that."

**Pat:** I see. I see.

**Derek:** As a way to get – you can do something like that so you don't get any ill-will between people who might have paid for a bonus. But you don't have to offer it forever but you might give them a time living on it.

**Pat:** Got you. Dude man, this has been a great, great conversation. I know the listeners have gotten a lot out of this and they have a lot of things to think about now especially if they already selling something. And even if they're not, in the approach to selling something in the future, this is definitely going to help.

Derek, there was one thing I want you to talk about really quick, and that is the special link that the listeners can go to and what they're going to get there.

**Derek:** Oh dude, I'm so happy you brought that up. I hate for you to forget about it for a second.



**Pat:** You're welcome.

**Derek:** I've got a free ebook specifically for the social – not for the Social but for the listeners of the Smart Passive Income Podcast and you can access it by going to [SocialTriggers.com/Pat](https://SocialTriggers.com/Pat) and you're going to get this free material that I call, [Your First 5,000 Subscribers: Here's Exactly How to Get Them](#).

**Pat:** Nice.

**Derek:** And in this ebook, I'm actually going over to the deceptively simple tactics to attract raving fans and life-long customers and they can get it at [SocialTriggers.com/Pat](https://SocialTriggers.com/Pat).

**Pat:** Awesome, bro. Dude, thank you just for your time and sharing everything. I can't wait to have you back on. I'd love to have you back on again in the future, Derek.

**Derek:** Hey, thanks for having me. I was pumped that I got to share some of these nerdy sales stuff that I don't always get to talk about because usually when I start talking about like psychology or bonuses, most of the people are like, "Who cares about that?" But I'm happy that I had the avenue to talk about this.

**Pat:** Well, you're in front of the right audience, that's for sure. And you're always welcome back, dude. So I'll see you in a few days at St. Louis for FinCon.

**Derek:** That's what's up.

**Pat:** Yeah, man. I'm doing the opening the keynote and Derek I doing the closing one and hopefully, we'll create a nice bonus sandwich for everyone at FinCon.

**Derek:** We're going to sandwich the whole conference with Mr. Nice Guy and Mr. Bad Guy.

**Pat:** All right, man. Have a good night. Take care.

**Derek:** Peace.



**Pat:** All right. I hope you enjoyed that interview with Derek Halpern from SocialTriggers.com. You can get the show notes and the resources over at [SmartPassiveIncome.com/session84](http://SmartPassiveIncome.com/session84).

And lastly, I just have a quick, quick favor to ask you. If you really enjoyed the show, I would love for your vote at [PodcastAwards.com](http://PodcastAwards.com). Once again, the Smart Passive Income Podcast has been nominated for the Best Business Podcast at [PodcastAwards.com](http://PodcastAwards.com). I've been nominated the last two years actually and did not win and I'm going to try again this year. I would love your support.

Voting starts today, October 16, 2013 and goes until the end of the month. And you can actually vote once per day if you'd like and I only want you to vote if you feel the show deserves to win. And I don't do this very often but when I do, I do it hard or I'm going to take Derek's advice and try to go hard. Now I'm not – that doesn't mean I'm going to spam you every single day to try and ask you to vote but last year, I didn't even make an announcement like this to go vote.

So if you are listening to the podcast or have listened to it, I mean you've gotten this far into the podcast, you must have enjoyed a little bit, please help me out and go to [PodcastAwards.com](http://PodcastAwards.com). Select the Smart Passive Income Podcast under the business section. Your vote would go a long way. And if you wanted to vote every day, I would love you so much for it. Thank you. And again, it's every day until the end of October. Gosh, I love you guys.

Thank you so much. Take care. Have an amazing day.

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