



Underground Secret Society Success Interview:

Leo Quinn

How a "No-Name" Can Get
Tons of "Big-Name" Affiliates
to Promote Their Product

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For Yanik Silver's Underground
Secret Society Members Only

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Yanik Silver: Welcome everyone and thanks for joining us for another Underground Secret Society interview. I am very excited to have with me one of our subscribers and also one of my Internet Mastermind members, Leo Quinn. I don't know if we really met face to face before my Underground II or not. Do you remember?

Leo Quinn: I don't think so. I was at your birthday party in January of '04, but you were busy then.

Yanik: Yeah, busy with Mickey Mouse and the 500+ other people. But the way I remember it, Leo, and this is before you had joined up in our Mastermind group, is that Leo was wearing of those little LCD name badges. It said, "Hello, my name is Leo Quinn, of www.LeoQuinn.com." We had a group of Improv actors at my Underground II that were doing an espionage 'who killed Yanik' type deal, and they really enjoyed that one.

Leo: That was the best \$50 I ever spent to buy that badge.

Yanik: Yeah, you got a lot of publicity that night. So why don't you give people a quick background about yourself and how you started online?

Leo: I graduated from college in 1990 with a Finance degree. Like most Finance majors I went right out and started my own carpet cleaning business. I'd had a taste of working for other people in my college jobs and I really didn't care for it.

In 1991 I started a carpet cleaning business and was pretty good at getting into debt. In November 1996 I saw a class that taught you 'How to get out of debt fast.' I started teaching my own class in January of 1997. I had always had an interest in public speaking but just never had a topic. I figured that people wouldn't sign up to sit in a room to have me show them how to get a stain out of a carpet. I was in debt and found a great way to get out and I decided to help other people along my own road to debt freedom by teaching my own class.

In 2000-2001 the Internet was starting to get hot and I bought www.LeoQuinn.com and I put information on that site that was sort of a brochure for people who had taken my live class. I had some newsletters there, I had some links to good Web sites, I had testimonials that I'd gotten from people. I also had my upcoming schedule. It was kind of a brochure. Sometime in 2001 e-books started to get hot so I decided to take what I was teaching in my live class and turn it into an e-book.

I turned it into a PDF file and then I started selling it for \$17 back in 2001. To fast forward a little to 2004....

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Yanik: First, how did the sale of that book do?

Leo: It went very well. Most of the world is in debt in some form or fashion. AdSense wasn't around, AdWords wasn't around. I started out by advertising in newsletters. I was paying \$8, \$10, \$20 for an ad in an e-zine and if it worked I re-ran it and if it didn't I looked somewhere else. It was really just trial and error at the beginning. There weren't a lot of marketing courses like there are out there today.

I was going around blindly seeing what would work and seeing what didn't.

Yanik: Okay so you said fast forwarding to 2004...

Leo: I went to your birthday party in Florida and there was a lot of talk about raising your prices. All the speakers seemed to be saying, "Raise your price." I went home and immediately doubled my price. I didn't find any price resistance at all. I went up as high as \$97. I went from \$37 when I started at your birthday party, went to \$67, then I tested \$97 as well. For my \$97 test I sold three and they all asked for a refund.

I figured that \$97.00 was too high. I settled on \$77 and depending on the promotion that I am doing it will be anywhere from \$57 to \$77 for the course. I have since added bonus e-books, bonus audio recordings, to get it worth it. I am not selling the exact same product I was selling in 2001. I actually did update it last year. It's updated with new bankruptcy rules and that sort of information.

Yanik: Very good.

Leo: What we are talking about today is finding affiliates.

Yanik: Right

Leo: The real 'ah-ha' moment for me in the Power of Affiliates happened January 7, 2005. I had an affiliate that one day sold \$4,000 worth of my product at \$57 a pop. I mean I had never made \$500 in one day with this product, and I made \$2,000 that day.

That really slapped me across the face about the power of affiliates. Before that I had just a few affiliates. I didn't really have a good affiliate program. We were using ClickBank. I was making some sales here and there. But I really didn't have a formal program. I had met this gal at Dan Kennedy's seminar of November 2004. She had a list of about 70,000 and it was family related. My product is a debt product, and I figured that most families are in debt.

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I gave her a sample of my program. I had them on CD ready to go to anyone I met at the seminar who I had thought might have a workable list. I kept after her. I met her sometime around November 8th and she did a promotion two months later. It did very well. What I learned at the seminar was that I really needed more testimonials. I didn't have a lot.

Yanik: For the product itself or for the affiliates?

Leo: For the product itself. I had not focused too much on getting affiliates at that point in time. I am at this seminar in November, 2004. Someone got up and told about a testimonial book from a company that I think makes sheds.

Yanik: Yeah, the tool guy, tool sheds. I forget what his name is right now. It's a great booklet.

Leo: Yeah, that sounded like a great idea. Someone else told about a testimonial contest they had. They collected testimonials with pictures and full addresses. I thought that sounded like a great idea so I came home and immediately ran a testimonial contest with my subscribers.

I wasn't going to judge the best testimonial but I was just going to throw everybody's name in a hat and draw out the winner. I got a lot of great feedback from that. During that seminar someone also mentioned sending a booklet of information to prospective affiliates. I thought that was a good idea.

I took some of the testimonials I'd gotten, I took some of the classified ads that I'd been using and I put all of it onto a CD and I also sent a hard copy. I did one of those FedEx mailers to 49 potential affiliates. They were people I judged that had a good list and might be interested in this product.

Yanik: Let me back you up a little bit. How did you find that list of 49 people and how did you think that they might be interested in it?

Leo: Well. Like everyone I was mesmerized by the big list. Most of the people on this original list of 49 were people that most people know, or names that they would recognize. I would find them in e-zine directories, I might be on their newsletter list already, and I had also got suggestions from my own subscribers. It was just mostly big names.

I sent out these 49 packages on December 24, 2004. If I didn't have their mailing address and I only had a PO Box then I sent an Express mail package. I sent them out on that date as Christmas fell on a Saturday that

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year, so they would be getting this package on the Monday.

Yanik: This is a pretty simple book of testimonials. It was your product on CD-ROM and hard copy of it?

Leo: No, it didn't have a hard copy of the product at that particular stage.

Yanik: Oh, it was just a hard copy of the testimonials.

Leo: Yes, and the sales material, and it included pictures of all the testimonial givers. I am just trying to establish credibility here. That was on December 24th. I had sent one of those to the affiliate who had sold \$4,000 in one day. That got her to do a promotion for me. That was a worthwhile \$18 investment. Last time I checked, of those 49 original people, during 2005 about 15 of them did a promotion for me.

Yanik: That is pretty good.

Leo: It is. It's more impressive, too, in that I did absolutely no follow-up in 2005. In talking to Kevin Wilke of Nitro Marketing who is now one of my affiliates, he told me it sat on his desk for a couple of months and he would have done something sooner if I had followed up. I learned a lesson there.

Yanik: We'll talk about follow-up later on. Or were you going to bring it up now?

Leo: Sure, I can bring it up now. It taught me that I really need to follow up. I should have known that. I have read you and Dan Kennedy for years. Everybody says follow up. I was so dumbstruck with the success I was having. Two thousand dollars in a day here, \$1,000 in a day there put me off-kilter a little bit. I had never made that kind of money in my entire life.

The year 2006 is much different. Now I have follow-up system in place, such as it is, and it's proved very effective.

Yanik: We'll cover that in detail later on. Of the 49 people you had about 15 of them in 2005. That is pretty basic. You said you started going after people with big lists, big names. We covered a little bit about this before but perhaps if you want to recap it. Maybe your thoughts have changed on it now, but what should someone do to prepare before they start looking to attract more affiliates? You thought about getting testimonials. What else did you do?

Leo: Yes. You have to know your numbers. That means you are probably going to have to pay for some advertising. Back when I was starting out we didn't have AdWords. I am quite thankful we didn't, to tell you the truth,

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because in my particular market I am competing with a lot of mortgage companies that can pay \$5 a click. If I did that I would go broke. It's hard to compete with.

I was just going into e-zine directories. I used www.directoryofezines.com. I was just looking for places where I could buy cheap ads. There used to be an auction place for e-zines. That has since gone out of business, I guess. It was the last time I checked. I would go on there and buy \$8-\$10 ads, and see what happened. That is how I got to know my metrics. My metrics are much better with affiliates because it's coming from someone they know and trust.

That is how I got started. Affiliates don't want to try something that is untested.

Yanik: What kind of numbers were you looking at before you started approaching affiliates?

Leo: The typical 1-2 percent probably. Some newsletters worked great and some were abysmal. There was no way to tell ahead of time. Every newsletter publisher is going to say how responsive their list is.

My product is such that I've found that if it doesn't do well on your list then nobody is reading your publication. I have the great testimonials and the endorsements from the list owner. I'm lucky to have one of those universal products that no matter what the topic of the newsletter you probably have debt of some kind.

Yanik: Yeah, that's a probably a good thing and a bad thing.

Leo: Exactly. Knowing your numbers is the most important thing. Testimonials from other affiliates are great as well.

Yanik: You talked about the testimonial contest from people who bought your products. How did you go about getting testimonials from affiliates?

Leo: I just asked them and I found the best time to ask was when I was paying them money. I would send them a large chunk of money and I would say, "Hey, would you do me a favor and just write me up a little testimonial for other affiliates who are considering doing a promotion for my product?"

Yanik: Would do you any of the writing for them, like inserting numbers of what they made, or just leave it up to them?

Leo: I would leave it completely up to them. One affiliate was nice enough last year, it was probably in July or August, she said that she had made

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\$26,000 so far in that year.

Yanik: Wow.

Leo: She was very generous in giving away that information. I would never ask anybody to do that but she volunteered.

Yanik: Now where do you use those testimonials? What do you do with them?

Leo: I actually include them in the mailer now. I did another FedEx mailer in December, 2005 and I included testimonials of affiliates, based on a suggestion that you gave me, I think at Underground One. You gave it to the entire crew. You said you prefer to get a hard copy of a product so that you can get speed read through it. Based on that suggestion I included it.

I didn't include the entire thing as it's about 100 pages. I included the pertinent information. I included the glossary, the index at the beginning and I included the information where it shows them the formula for getting out of debt fast. It gave them a good idea of what the product was like.

Yanik: Interesting. How did that one do?

Leo: I sent it out to 50 people and I would say that probably 23 of those have responded. I haven't looked in a week or so. It's doing a little better because I have more testimonials and more follow-up included now. I will continue to get more affiliates from that as I go.

Some people have been dropped off the list just because I have read something in their newsletter that indicated they would never do anything. I read one recently, as I just sent her a lumpy mail and I read her newsletter the day after I sent it saying her email says 'she has never promoted anyone else's product.' Maybe I will be the first.

Yanik: Yes, I definitely want to talk about lumpy mail. You mentioned something that's interesting. You read their newsletter. Each of these targets—is that what you call them? You have a name for them, right?

Leo: I call them Aff-Targs. Affiliate Targets. Aff-Targ for short.

Yanik: Each of your Aff-Targs--how much time do you spend? What do you do to really make sure that they are a right fit? You mention reading their newsletter.

Leo: I don't do that too often to tell you the truth as I get so many. If someone pops up onto my radar screen then I will look a little closer at it. Obviously, just starting out, if you can make some connection in there you

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are going to have a little more luck reaching them maybe. I like to put myself in the position of someone like you who just gets flooded with this stuff.

What would get your attention or what would get the attention of your assistant who is reading your mail? I like to listen for someone who is having a baby, or some sort of life event. I might send something offline to coincide with that.

Yanik: Okay, this is probably a good time to talk about some of the unusual things that you've done. You've been really creative about attracting affiliates and the packages you've used to attract their attention. Do you want to talk about that?

Leo: Certainly. We've just talked about life events. If you are one of my affiliate targets and you let your newsletter know that you've had a baby, you are likely going to get a message in a baby bottle from me. This isn't original to me. I do a ton of reading on marketing. I have seen this many places. So I went to the local dollar store and I bought a bunch of bottles. I folded up the letters, slid them in, put a label and a stamp on the bottle, and just mailed it off.

Most of them were sport bottles, but a couple guys had babies recently so I sent a baby bottle. The headline was, "I figured that you can never have too many of these lying around." Now I don't think of course they used the baby bottle that I sent them as they have never heard of me. This isn't the first thing I do. This is something that is further down the line. They have gotten the FedEx package, then several postcards from me, and that is when I start.

Yanik: Okay. Let's back up then. Now your affiliate attraction type system is you decided on who your target is and they will get the FedEx with the printed out material, the testimonials from affiliates and customers. Then there is the follow-up.

Leo: Yes. I will do postcards. Those will contain results from recent affiliates and if I have sent someone a rather large check.

Yanik: Like a case study?

Leo: Yes. That is correct. I did that recently. Affiliate - Convert - 5.71 percent. I put that as a case study on my Web site and I directed people to that case study via a postcard.

Yanik: Interesting. Are you able to give out your URL?

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- Leo:** Sure. It's www.LeoQuinn.com/Anatomy.html. He converted 5.71 percent of his list of about 5,000. It turned out he converted about 2% of his entire list. This was something that changed my focus from the guys with the big list to the guys with the good relationship. The guys and gals.
- Yanik:** This guy has converted 2% of his list. How many people does he have?
- Leo:** He has 5,000.
- Yanik:** Okay, so it's a tiny list really. Most people would not think too much about that. Has that really changed your thinking?
- Leo:** Yes it has. That is why I am looking more closely at email that people send. Just because I was focusing on the guys with 20,000 plus, preferably with 100,000 plus. He's got me thinking again that maybe I should focus on the guys with 5,000 and 10,000.
- I need to read their thing and see what its like.
- Yanik:** Also, I guess they don't get hit up on as much.
- Leo:** Exactly right. Bingo.
- Yanik:** They are eager to do a deal and they also have a great relationship with their list. The thing that you are looking at to see if they have a good relationship is just the way they send the emails out.
- Leo:** Yes, the way that they interact with the list.
- Yanik:** If there's a lot of personality in there?
- Leo:** Yes, if there are not a lot of sales pitches. If every other day they are not getting a sales pitch for the next great thing that came down the pipes.
- Yanik:** Interesting. That's a great tip right there.
- Leo:** I think so.
- Yanik:** Everyone is usually looking for that big hit and bang. They think that if this guy's got 50,000 or 100,000 or half a million people on his mailing list he's definitely the affiliate I want to go for. Now you are saying maybe not.
- Leo:** The big guys and gals are under tremendous pressure from first of all their friends, who want them to sell everything. Then here you come along, a complete nobody who wants them to sell something. You have very little

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chance.

Yanik: Yes, it's definitely harder to get in for sure.

Leo: The response time might not be so good either. The pressure from their friends is causing them to promote things all the time.

Yanik: I cut you off. You were saying that the next follow-up was a postcard. There are additional follow-ups after that?

Leo: After a few postcards, then I will start getting into the lumpy mail. I'm very selective with the lumpy mail because it's expensive. I've spent my first step in the lumpy mail process is the message in the bottle. It's just a letter directing them to a place where they get more information about my affiliate program on my Web site. Obviously I can't stick a CD in a bottle.

After that I sent a Bank bag.

Yanik: I liked the Bank bags.

Leo: I know you didn't originate it but I remember getting one from you.

Yanik: No, I definitely didn't originate it. I look at stuff going on and try to use it for my own purposes as well.

Leo: That's great fun I think. People look at me as though I am crazy, particularly when I'm showing up at the Post Office with all this stuff. What makes me wonder is the workers at the Post Office don't bat an eye when I show up with this stuff.

Yanik: One of my colleagues is a guy named John Goldman. He used to also do the lumpy mail, dimensional mail and stuff. He would tell me about mailing coconuts, mailing watermelons and it would all go through.

Leo: I can't wait to try some of that stuff. I bought 20 pieces of chocolate that are feet, shaped like feet. They say 'foot in the door.' When it's cooler I am going to mail those I think.

Yanik: Yeah, you don't want them to be a big smooshy mess.

Leo: I would not think people are going to eat them anyway if people have never heard of me.

Yanik: You never know. My wife probably would. She loves chocolate.

You keep following up with some kind of unusual pieces, kind of

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whatever strikes your fancy really?

Leo: If I see something that comes to me in the mail, or I read something about something in one of your newsletters, or Dan Kennedy's, I'll just adapt it to my own purposes. One of my affiliates actually sent recorders. He would buy a cheap little recording device, record a message to his affiliate target, and send them the recorder.

Yanik: Nice! Like a cheap tape recorder?

Leo: Yes, exactly. "Press Play. 'Hi this is James Jones. I just want to let you know....'" That type of thing.

Yanik: Very good.

Leo: I haven't done that yet but it's on the plan.

Yanik: Did that work out well for him?

Leo: Yes, it did. I mean if your product is a high ticket item, I have heard of people sending little DVD players. "Insert the DVD, just hit play and you'll get the message here."

I read a book recently called 'Whatever you Think, Think the Opposite'.

Yanik: Interesting.

Leo: Somebody was giving a fledgling photographer advice. That advice was simply two words: 'Astonish me!' Now when I'm thinking of promoting I am asking myself, "What would astonish someone to receive in the mail?"

It's hard to astonish people by email. What would astonish them to get in their mailbox?

Yanik: That is a good question.

Leo: I walk around now, muttering 'Astonish me. Astonish me.'

Yanik: I have said it definitely seems that you're following it. Your questions dictate your answers. It's a good question to propose.

Are you doing any email follow-up or phone follow-up?

Leo: I have not done so this year. Last year I was sending 10 emails a day. Once I had that \$4,000 day I started sending 10 emails a day to prospects.

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- Yanik:** You mean proactively going after affiliates?
- Leo:** Right. We're referring to the mail I had sent previously, referring to the recent success of other affiliates. Quite honestly that got kind of tiresome. I was trying to find 10 targets a day. Once I got up to 200 targets I could have just cycled them back around. That is probably a job I should give to my assistant now.
- Occasionally I would leave a phone message. "Hi, my name is Leo Quinn. I just sent you an email. You will see it's coming from www.LeoQuinn.com and it has this subject line. Watch for it."
- I figured the spammers aren't leaving phone messages referring to their email. I can't recite any specific statistics on that but I know I heard back from several people when I did that.
- Really, I think anything that you can do to be different helps.
- Yanik:** Right. Probably email and phone calls are not that different. Now as your strategy has evolved a bit are you going to be doing any email phone follow-up? Or is it all going to be this kind of unusual 'astonish me' stuff?
- Leo:** Yes, I think I am going to focus on that as seems to work best.
- Yanik:** Okay.
- Leo:** I have an assistant now and I have her doing some online things. Recently I found one of my affiliate targets has never responded to me but he put me on a list of people who are interested in doing joint ventures. I found that on his Web site. My name is on there and my email address is on there. I sent my assistant to that list. I said look at this list and get everybody's name, email address, and offline address, and give it to me.
- She did that project. Then we sent an email to everybody on that list. It said, "Hey, this guy lists you and me on his Web site." I got several new affiliates that way. That was all by email and I haven't even done anything offline yet, but I will.
- Yanik:** Are you doing any kind of software that helps you find affiliates or is it just looking around?
- Leo:** Just looking around. I will go into e-zine directories and things of that nature but I haven't used any software yet.
- Yanik:** What kind of advice can you give? Your product is something anybody can need as it's 'Get out of Debt.' What would you tell someone as you

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are looking for these affiliate targets? Is it about subject matter? Is it about the topic? Is it about who's got a strong affinity for your topic?

Leo: That all helps. The farther away you get from the topic, the more sales job you are going to have to do on that affiliate. It's the typical poke around on discussion boards, around your topic. If you have a newsletter list, one of the things I like to do is occasionally ask my subscribers, "What publications do you read that you enjoy?"

Yanik: That is a good question - yeah.

Leo: Another thing I like to do is look at my subscriber list. Look at the domain names. If it's @AOL.com it doesn't help me. However, if I'm looking at someone's domain name and it's www.LeoQuinn.com or www.GetOutOfDebtTips.com, I'm going to go look at their Web site. You might find a potential affiliate on your list of subscribers already.

Yanik: Do you ever actively send out a notice to your subscribers asking them to be affiliates?

Leo: Well, yes. I mention that I have an affiliate program and I tell them when I'm soliciting other places they subscribe. "If so-and-so signs up, if the person you suggest signs up for my affiliate program, I'll put you on their second tier so you're making 10% of whatever they sell."

Yanik: Okay. Interesting.

Leo: I make it a financial reward for recommending people to me. I can't think of anybody I've gotten that way. I know I had an inquiry from a big name one time. He was promoting something that he thought was too similar, so we didn't go.

Yanik: Is there a way you've dealt with that, Leo, when someone's already promoting a Save Money on Taxes program or something?

Leo: Yeah, or an MLM or something?

Yanik: Right.

Leo: You know, I don't try too hard. If I know about the program they're talking about and I can cite some differences, I might do it. But I can't think of an example where I've even bothered.

Yanik: Okay, so otherwise it's up to them to decide. Okay, very good. So you kind of poke around. I think you've told me that at live events and seminars you've found a lot of people.

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Leo: Oh, yes!

Yanik: Obviously, with the little LCD tag that probably helped.

Leo: It did, and I read Joe Vitale mentioned that two or three years ago in some newsletter that he saw some guy with it at a seminar. I think I had it with me at your birthday party, but I don't think I was brave enough to wear it. I was too chicken.

But I wore it at Underground. Where did I wear it first? I think I wore it at Underground I first. I think I did.

Yanik: You know, I've got a funny story on that. Jim Edwards, my friend, has an LCD t-shirt where the little LCD thing is built into the t-shirt. He was promoting some product; I think it was at Big Seminar. Anyway he was sitting in the audience taking notes, and the woman behind him was knocking him on the shoulder.

She said, "Can you please turn that off, it's bothering me!"

So okay, if we're not brave enough to wear an LCD type thing, what else have you done that works when you're at these events?

Leo: Actually, one of the things I suggest to people is if somebody is going to be speaking at a conference and you want to talk to them, have some questions prepared.

At Underground I, I ended up on the elevator with Rebecca Fine and Frank Garon, too. I'm still smacking myself because I didn't have anything prepared.

So now if there's an affiliate target and I know they're going to be at a seminar, I have some questions prepared.

Yanik: By questions what do you mean? Just questions about their business?

Leo: Could you do a teleseminar for me? That type of thing, something that would benefit them.

I'll say, "You know, I've got a list of 20,000 people. They'd be really interested in your topic. Could you do a teleseminar?" So anything that gets the ball rolling, maybe suggestions for them.

Yanik: All right, gotcha. I think the preparation is a big deal.

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- Leo:** Try and get to them before they speak.
- Yanik:** Right, because they'll be mobbed afterwards.
- Leo:** Once they speak everybody knows what they look like.
- Yanik:** Right.
- Leo:** So see if you can snag their attention before they speak.
- Yanik:** So really go in there with a game plan. Also, you talked way back about one of the seminars that you came with a CD-rom all prepared, so you were set to go. I think a lot of people kind of wing it when they get to these seminars.
- It's like a golden opportunity because people are flying in from all over the world. I know at Underground II, even more so than Underground I, we just had so much business going on that people were just blown away by the high caliber of networking going on.
- There's a guy in the hallway with a 50 million dollar business and another guy with a 75 million dollar business, and a 20 million dollar business; all the way down, of course.
- They were introducing themselves to each other and just crazy deals were being struck there. I really think there were way more high caliber ones than I've seen at a lot of places lately.
- Leo:** And I'll just say the thing about the courage. I mean, it was stupid that I was afraid to wear this goofy thing. Everybody was pleasant who came up to me. Everybody wished they had one. It was incredible for my business.
- I can always refer to somebody in a correspondence, "You might remember me. I was the guy with the digital name tag."
- Yanik:** Right.
- Leo:** So don't be scared to do something goofy like that. You'll find the most successful people don't do everything that everybody else does. They're different.
- Yanik:** Exactly. Yeah, and now it doesn't even necessarily need to be wearing the LCD badge because now we're going to get 50 people with these badges on...

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Leo: That's what I thought, but no. I mean, Joe Vitale mentioned it. I thought it's a great deal, but nobody else is wearing them. I've never seen another one. I do have another one in a different color, so if somebody shows up with a red one I'm prepared. I'll wear two if I have to.

Yanik: We're going to send it out as a gift to all Secret Society members.

Leo: Oh, my gosh!

Yanik: It will be part of their package.

Leo: This is the thing about handing out CDs at these things, too. It's great, you can refer to that in follow-up correspondence, but don't give up just because you give it to them and you never hear from them again.

I want to cite an example of why follow-up is important. I had a gentleman recently who was a brand new affiliate. He signed up two weeks ago, did a mailing, and sold 5,000 in a week. Very nice.

He'd been on my list since December of '04, so he'd gotten a FedEx package in December of '04 and December of '05. He'd gotten the follow-up postcards from me.

He's never gotten any lumpy mail from me, but he signed up for my affiliate program because he saw another affiliate do a promotion.

Yanik: Right.

Leo: And he finally called me on the phone, and I said, "Hey, Michael, have you ever heard of me before?"

He said, "I'm not sure.

I said, "I sent you two FedEx packages and I sent you a bunch of postcards."

We were actually born in the same hospital, so I sent him an email saying I was born in his hometown. Apparently he'd never gotten it. So he's never heard of me despite sending all this stuff.

Yanik: Wow, okay.

Leo: The lesson there is to follow up, follow up, follow up! Don't give up until they tell you to give up. In the hundreds of correspondences that I've sent, I've only been asked to stop once.

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It was a one-word email he sent back, “Remove.” It’s a well-known guy and I can tell you off-recording if you want, but I chuckle at it and I’ve saved that email so in case we ever do business, I’m going to show that to him.

Yanik: Right. I think that makes a great point. When you asked him, “Hey, do you know who I am?” and he’s like, “No, not really.” That makes a great point.

A lot of people might think, “Well, I’ve done a couple follow-ups even, and I think they are just rejecting me and they don’t want to do business with me.”

In many cases it’s either they didn’t receive it or it’s just not on the top of their radar screen or it’s not a right time.

Leo: This is a guy you wouldn’t have heard of. He’s got 95,000 on his list and most people have never heard of him, so he’s not getting buried in this stuff. It’s just comical to me and really put home that you really have to stay after these folks.

Yanik: Some people listening to this might think that this is a lot of work. How much time per day or week would you think you spend proactively recruiting and following up and working with affiliates.

Leo: I would say it’s definitely less than ten hours a week. It’s probably more like five or six. As I said, I have an assistant now so I can farm off a lot of the busy work to her which is very helpful.

If she’s listening, I pay her way too much. But it really leaves me to focus on the stuff that really brings in the money, such as testing different approaches; finding the quality affiliates; reading about what other people are doing in their business and finding good ideas.

For me it’s less than ten hours. I would say for her it’s probably around ten hours.

Yanik: Got it. Would you agree that it’s probably some of the best time you could spend?

Leo: Absolutely, yep; nothing better. I don’t make any money answering customer service emails. I make money finding affiliates.

Yanik: Now when you get someone to do a promo like you’re talking about with this guy who you’ve been chasing around for a while and he finally did one and made \$5,000 in a week, what happens after that?

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Leo: I encourage them to add me to some sort of auto responder they might have, and that does pretty well. I'm lucky in that I have a product that appeals to a moving parade, meaning everyday a million people wake up and think, "You know, I should probably try and get out of debt."

It's really hot in the first quarter of the year as well. And it doesn't really dissipate over the course of the year. You'd think in the middle of July or August people wouldn't be at their computers, but sales are very strong in those times too.

So I'm encouraging them to use articles. I send out a monthly newsletter to my affiliates, and in that newsletter I'll report to them things that have worked for me in my business.

When you get an affiliate newsletter from me, you're not getting a sales pitch to sell my stuff. You're getting ideas that you can use in your own business.

I hope that gets me a little more readership than people who send out the newsletters just with new articles or things of that nature.

Yanik: That's pretty good. I don't even do an affiliate newsletter. That's good.

Leo: It keeps me on the top of their mind.

Yanik: Right.

Leo: Any time I get a testimonial that I can trace to an affiliate, I'll send that to the affiliate.

Yanik: And say, "This is from one of your customers."

Leo: Reinforcing the good decision they made in endorsing my product.

Yanik: That's really smart, too.

Leo: Seven times out of ten they'll say, "Okay, time to do a new promotion."

Yanik: Right. That's definitely smart. How are you able to trace who it comes from? Do you just go back and look at who the customer was inside your 1ShoppingCart? Is that the software you're using to manage all this stuff?

Leo: Right, I use 1ShoppingCart and AWeber. That's it.

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Yanik: So you run all your affiliate programs through there? I like 1ShoppingCart, but the thing I don't like about it is that the links are ugly.

Leo: The links are ugly and their tracking isn't perfect. I've got a long list of things that aren't perfect.

Yanik: Yeah, well I've never found a perfect solution.

Leo: True, true.

Yanik: So the links are ugly. Do you do anything about that for your affiliates or are they smart enough to put redirects?

Leo: I think most of them do redirects. Now I suppose I could, but I'm usually running an ad tracker thing on it which is an extra step. By running a redirect and the ad tracker they're having to go through a lot of steps that could fail at any point.

Yanik: So you leave it up to them?

Leo: Yes, right.

Yanik: All right, very good. How about payment? What are you doing?

Leo: I pay them once a month via PayPal or via check. I'm going to start paying them twice a month just because I don't like having the money hanging around.

Particularly when I do to these big dollar seminars and they're selling all this stuff I want to buy, it's safer that I don't have access to the money.

Yanik: It will probably make them happier, too, getting paid more often. I remember seeing a study, it wasn't in our marketplace on the Internet marketing world, but it was somewhere else.

Affiliates were excited by being paid weekly even.

Leo: I'm part of one affiliate program where the guy doesn't have a refund policy, so he pays daily. I really could get away with that for the good affiliates and I probably should.

I have to figure out the best way to do it because I'd have to go into 1ShoppingCart and mark everybody "paid" for that day or that week or whatever. It's something definitely to consider.

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Yanik: I lost the question I wanted to ask about the payment stuff. Maybe it will come to me later.

Leo: I eat all of the fees. I don't know if that was your question. I give them a full 50% on the first tier and 10% on the second.

Yanik: Actually, that's a good one. So 50% and 10%, so it's a digital product, right?

Leo: That's right.

Yanik: Do you have any special arrangements where another affiliate would get more or do you not do that?

Leo: I've not done it. I'm open to it certainly. But no one has ever asked. I hope the people who would ask aren't listening.

Yanik: Or if they are listening, hopefully they have a really big responsive list and it's worth it.

Leo: Exactly, and I was thinking, too, that maybe I should make something a sliding scale; less until you sell ten and then I bump you up to 50%. It seems like a lot of paperwork. I don't know.

Yanik: Yeah, it might not be worth it. I know we pay out different amounts based on who you are and if I've recruited you. It definitely is something to possibly consider.

I don't use 1ShoppingCart for the affiliate modules, so I don't know how easy that would be.

Leo: I think it's pretty easy. When they sign up you can put whatever rate you want in there.

Yanik: Good, so that is pretty easy. What about refunds, things like that, administrative stuff? Let's say you made a sale this month and the next month the customer refunds. Does that carry over in the 1ShoppingCart?

Leo: No, it does not carry over in 1ShoppingCart, and that's very frustrating because when I click "Pay Affiliates" it will tell me one number that includes the refund.

But if the affiliate logs in and looks at their stats, they wouldn't see that refund granted on a sale from a previous month. It used to bug me. Now I just pay whatever it is and I don't worry about it because I don't have a big problem.

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Yanik: I'm the same way. Mine doesn't carry over and it's a little bit of a hassle. Sometimes I've had it where the affiliate owes me like \$500 or \$600, and then I'll email them and say, "Hey, we've got to settle up here."

But otherwise, I just eat it, so I'm with you too. I first heard that from Declan Dunn and he said, "Why pull your hair out over this dumb stuff?" It's just the cost of doing business.

It's not a big deal, but if it does become one, obviously you keep an eye on it. If there's a lot of potential fraud or high refunds or whatever, then you have to figure out something else. But I'm with you on that.

Leo: My refunds tend to be, I would say, 5% to 10%. I haven't tracked it recently, but they're not very high. My advice to anybody in doing correspondence with affiliates is don't mention refunds at all.

Yanik: Right, I read that in your material.

Leo: I had a couple people tell me when they saw the word "refund," it scared them off. So keep those to yourself unless asked.

Yanik: Exactly. Why even bring it up and let them think about it? Have you done any kind of contests or special affiliate deals?

Leo: You know, I've never done anything like that. I'd have to be creative because I have one affiliate who just blows everybody else away every month. She'd win everything.

I suppose I could have a contest of best improvement or something like that. But I haven't done anything like that yet.

Yanik: For this one affiliate, you don't need to mention her, but what does she do that is different from other affiliates? What have you done to help her sell? Is it just on her own?

Leo: You know, I have not done a darn thing, really. She's got 160,000 on the list. Once a month she runs an endorsement classified at the top of her newsletter, and that's it.

If I get a testimonial I'll let her know. I'll send it to her. But that's really it. She's just got a really hyper-responsive list.

Yanik: Right, but she also promotes you every month.

Leo: Once a month, yes.

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Yanik: That is pretty powerful.

Leo: It is. Right.

Yanik: Okay, so that's something good. If we were trying to get affiliates to do something, we could showcase that as an example of someone who makes the most money on the affiliate deal.

Leo: Now that I'm talking to you I really need to suggest to my affiliates that they do something like that, citing her as an example. Let me write that down. Good, good; thank you.

Yanik: Absolutely. Let's see what else I've got here. Second to last question, any other cool, innovative things you're doing on your sites?

Actually, before we talk about that, I think you do something that's interesting and hopefully I'll get you to share it. When the affiliates promote a link to your program, don't their customers get something different?

Leo: Yes, for affiliates with good lists, I'll actually personalize the sales page for them. So when their people arrive at their page, it will say, "Welcome friends of Yanik Silver. This page is especially for you."

Then I mention your name again, the affiliate's name again at the point where the price is mentioned. So, "There will be a discount for seven days for friends of Yanik Silver until this date."

It's a few extra steps, but I find that that's the one thing missing in all this talk of endorsements and joint ventures; a short term special deal just for your subscribers.

Yanik: Now how does that work beyond the seven days? Is it a recurring script? Is that it?

Leo: I used to do that, but I don't anymore. If you hit my site just out of the blue, the price will say \$97. When a new affiliate comes on and wants to do a special promotion, we'll make the price \$57 for a week. So they're getting a \$40 discount.

After that week is up I put the price to \$67, so there's still a benefit to being your subscriber even after the seven days. And I just leave that as it is. "Welcome, \$67 for friends of Yanik Silver," with the \$97 crossed off, but the \$97 showing.

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Yanik: Okay, got it.

Leo: There's still a benefit there. You don't get into the thing that pushes the expiration date away three days. I think people are smart enough these days to realize that's kind of phony.

Yanik: Yeah, and it gives you a lot of integrity too. Yeah, very good.

All right, second to the last question then. Any innovative things you're doing on your sites, in your business, on top of the affiliate program that you want to share?

Leo: I'll give some creative things that I do to attract affiliates, if that would be all right?

Yanik: Okay, yeah, absolutely.

Leo: You've got free things and thing that cost money. With the things that are free, one of the things I like to do is, say your affiliate target sells advertising in their newsletter. I like to approach them and ask them for their ad rates. They're going to respond to that email.

Yanik: Right.

Leo: This is what we did recently. We went into the directory of Ezines. We got everybody we thought was a target and we sent them an email asking for their ad rate; 80% of them responded.

I sent an email back to all 80% and said, "Thanks for that. We're going to go through these, but do you ever accept or look for products to endorse to your list?"

We got them to open our email because we were asking them about ad rates. Then we turned it around because they were going to open up the follow-up email which asked if they ever consider endorsing or doing affiliate products.

So I got several affiliates that way.

Yanik: That's pretty cool. By the way, as an aside, Leo, what have you found worked better? I noticed you've done pretty extensive Ezine advertising.

What worked better, getting the publisher to promote it as an affiliate versus you advertising in there, even if you do almost a semi-endorsement in the ad?

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Leo: You always do better by getting the endorsement from the publisher. I can't give any specific numbers, but it's common sense, I think, and has borne out in my experience.

Once you've advertised several times, then turn it around and tell the person you're getting good response and you know you'd get better response if the publisher endorsed it. You'll probably get them signed up that way.

Yanik: Yeah, that's good advice.

Leo: There's one thing I like to do these days. A lot of people are doing promotions where you buy a book at Amazon and you get \$5,000 in free bonuses. I like to get involved in that and be one of the giveaways. Once I do that I'm on par with everybody else who gave a giveaway.

I can send them an email saying, "Hey, I was part of this promotion as well. I've got this product that works very well. Here are my affiliates. Take a look at it."

It sort of puts you on an even keel with everybody else who is giving an endorsement even if you're not. Somebody else judged you worthy to give away something during a promotion. That gives you a little credibility.

Yanik: Anything you can do to make them feel like you're one of them.

Leo: Right, exactly.

Yanik: Find some kind of common ground. Yeah, that's great.

Leo: One of the things that I like to do that costs a little money is buy something from one of your affiliate targets, and then respond to the "thank you for your order" email. That's going to be opened because they think it's a customer service issue.

Yanik: Right, that makes sense.

Leo: If they have an affiliate program, sign up for their affiliate program and then have ten of your friends buy the thing using your link. Now you're an affiliate and if you friends don't want the thing, you reimburse them. You don't have your friends ask for a refund, whatever you do.

Now you're an affiliate who's sold ten of whatever they're selling, so they're probably going to listen to you. It costs a little money, but it gets you on the inside.

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- Yanik:** Okay, that's good. All right, very cool.
- Hey, one of the things we skipped, and if you're comfortable with this, can you tell us the amount of business that was generated from affiliates in 2005?
- Leo:** That's really the year. From 2001 to 2004, I don't think I did \$30,000 in any one year for the business. I was doing a lot of other things.
- I was part owner of a valet parking company. I did some legal video. I was doing a lot of different things, so it's hard for me to break out the exact figure, but I know it was less than \$30,000.
- But in 2005 strictly from affiliates, I maybe spent \$200 in advertising that didn't work. I sold \$320,000 worth of my product.
- Yanik:** That's awesome.
- Leo:** That's a \$57 to \$67 product.
- Yanik:** Right, that's really great, Leo.
- Leo:** That first January 7th when I sold \$4,000 in one day, that really smacked me across the face as to the power of this stuff.
- Yanik:** That's awesome. You've got some really innovative things that you've done. I've kind of labeled you and you've done this yourself as your unique angle, almost like the no-name person "how to get named affiliates and big affiliate partners."
- You have a whole course on this that you are either just releasing or about to release?
- Leo:** I released it to the list of one friend of mine so far, just to get the bugs worked out. I call it "The Undiscovered Marketer's Guide to Attracting Affiliates."
- I call it that because that's what I am. A guy like you couldn't come out with a course on finding affiliates with a straight face.
- Yanik:** Yeah, it would be a lot easier for me, for sure, to get affiliate partners.
- Leo:** Exactly, you send one email and you've got 10,000 of them.
- Yanik:** Well, I don't know about 10,000.

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Leo: More than me, and I'll say I did that \$320,000 with less than 300 affiliates.

Yanik: Yeah, that's a good number, too, for people to know. I just did a quick count and I got like 40,720 affiliates as of this morning. So what you did with a couple hundred is really good.

Leo: And when you really think about it, it's more like I did it with 25. As you know, it's definitely 95/5; it's not 80/20. I wish it was 80/20.

Yanik: For me it's like 98/2 because I've got so many of them. But that's a course that I have actually checked out. I haven't thoroughly looked at every single page, but from what I have skimmed and checked out, on top of what we've talked about today and what we talked about in private, I would definitely recommend it for people if they want to find out how to get more affiliates.

What URL can they find that at?

Leo: They can find that at www.FindMoreAffiliates.com. That's just for your folks and they will get at least a 20% discount.

Yanik: That's great. Okay, I didn't know you were going to do that. So for Secret Society people they will get a 20% discount or anyone else who gets this link. It's www.FindMoreAffiliates.com.

That's very generous of you. Like I said, I definitely recommend checking it out because you have all these really cool, innovative ways. In there you've got a bunch of different examples of everything you've done.

Leo: I'm constantly updating it. As I try a new strategy, I'll add it to the site. I did something on Monday that cost me \$277 and so far today I've made \$800 because of it.

It was a lumpy mail I did on Monday. It's not done yet and I've gotten 30% response so far from potential affiliates.

But I constantly update it with new things I'm trying and new things other students are trying.

Yanik: Right, very good. Hey, Leo, I really appreciate it.

Leo: My pleasure.

Yanik: Thank you very much for your time and I'll see you soon at the next Mastermind meeting.