



James Schramko and Eugene Ware

James Schramko here and this episode is going to be covering aspects around WordPress software development, conversions and email list building. And for this call, I've brought on a special friend who I've known for years now. A great Australian developer with a software company we've probably all heard of by now called Market Samurai.

James: Good day Eugene, how are you today?

Eugene: Thanks James, how's it going?

James: Good! Now Eugene, we've been dealing with each other for a long time and initially, heard about you through Ed Dale and Market Samurai. And of course, pretty much everyone in the internet marketing space has a copy of Market Samurai sitting on their computer. I'm not sure of your exact numbers but I know that it must be at least in the hundreds of thousands of customers, is that right?

Eugene: Yeah, I've been really really blessed. As I said, it's just been runaway sort of success. I think the current numbers now, just had a look at it the other day, we're about 700,011 people have got copies of Market Samurai because I've got a free version and a paid version and about 71-72,000 of those people are customers.

James: Wow! Okay, so I'm sure most listeners would die for a customer base that big. Now this sort of leads me to today's discussion. I noticed recently a little bit of activity around the Market Samurai base there. It looks like you're coming to market with your own WordPress plugin that has been tested in-house and is partly responsible for you being able to collect a lot of these email addresses and I'm interested in covering that today. Can you tell us a little bit about what's happening over there?

Eugene: Yeah. Well, being a software company, we've been really blessed. We've been able to develop our own marketing technology so we've actually come from web development backgrounds and so we've built a whole bunch of things which are responsible for like our high op-tin ranks, our high conversion ranks. And only recently, just from the marketing team

screaming at me going “Have we actually moved our front end marketing websites to WordPress?”, so that’s actually been a challenge but it’s actually been a good thing. It’s enabled us to take a lot of the technology and stuff that we’ve been using for conversion of the last five years and actually make it as a standalone. WordPress plugins and a couple of the guys in the cooperating team have actually on my case for the last couple of years going “Hey, can we get this particular...this technology or that technology available” so they could use it on their sites, so that’s actually our very first WordPress plugin that we’re bringing to market but the actual roots of it have actually we’ve used it for the last five years.

So, the particular thing that we’ve been using or we’ve been testing and so we’ve used it to build this incredibly large list has been around scarcity and around deadlines. And one of the things I’ve kind of noticed around copywriting, and I don’t sort of talk much about copywriting but beyond sort of SEO and market research, one of my real passions and what I really regard myself as a real student of, much like yourself James, has been in conversion and in copywriting. And I really noticed really really sort of early on that just how having a deadline, having some aspects of scarcity around your offer really improves chronic conversion rate and there’s this incredible book that surely your listeners have read but if you haven’t, you just got to have to get this book, and it’s called [Science of Influence by Robert Cialdini](#). And it talks about the sort of six principles of influence and these are really really universal. Like this guy is scientifically guided. He’s run all these double blind tests and done all the math behind this sort of stuff and his experiments have been repeated all around the world. But to basically boil it down, influence, which is the stuff behind conversion down to six kind of basic factors and these are *social proof, authority, liking, reciprocity, commitment and consistency, and scarcity*. Right, now that’s really interesting. Everyone knows that and just as a quick tip for anyone who’s crafting a sales message, if you can just, whatever you’re if it’s an ad, it’s a sales letter or an email, just ask yourself these six kind of questions. Like, “Does it have social proof?”, “Am I incorporating authority?”, you know, “Is reciprocity in there?”, “Is scarcity in there?”.

It’s a really easy way to just really amp up the copy that you’re writing. But the interesting thing and he doesn’t mention this in the book and this is kind of where I think a kind of breakthrough sort of was in this area was that while these six factors of influence are all really really interesting and they all work, we test this stuff and it’s really really great, Robert Cialdini’s book doesn’t really talk about how which ones actually have the most impact. Like if you had the six factors of influence out there, if you had to choose one or two or is one ten times better than the other one or three times better than the other one? Of course the answer means it kind of depends but we are really obsessed about split testing, opt-ins and conversions and emails and all that sort of stuff at Noble Samurai and what we’ve discovered is that out of all these things, *scarcity* actually trumps them all. Like if you had to, like I joke about it with the copywriting team, that if you could just take every trick and everything I know about marketing and sales and if you just leave me with one thing, it would be *scarcity*. And it’s really really interesting, when I actually studied and looked into this kind of area, I just sort of started seeing scarcity everywhere and the obvious place to look is places like eBay right? Now, and in eBay, obviously, everyone’s bought something in eBay auction and it’s all really exciting and there’s all these emotions involved, but if you look behind the statistics behind eBay, did you know that 40 percent of like all auctions that get run close with a sale? So an eBay auction has a 40 percent conversion rate, which is crazy. Like, if I could get a 40 percent conversion rate in my business, I’d be really really really happy.

James: And that's when someone's paid something for that conversion to happen too. I mean it's not just free conversions.

Eugene: Right, that's right. Like 40 percent, that's an opt-in rate. That's not a paid conversion rate. But the interesting thing about it and I think this is where people like James and myself, we've studied copywriting like for years and years and years and it's a skill. It takes a long time to learn. But something like eBay, the copy on these sites is hopeless. This is rubbish copy. You check at them, sometimes it's only a couple of blinds.

James: Well it's usually left up to the customers right?

Eugene: Yeah, absolutely.

James: And your average punter is not that great at describing things in a compelling way.

Eugene: Absolutely not. And usually they, if you go to list something on eBay, you go with a default copy that they give you which is just products and it's the description, the features of the product, like there is no sales copy there. So it's really interesting that what these things which require good copywriting are these things which work. So in terms of those six factors, I've actually broken them down into kind of like two different groups so if you talk about the six factors of influence, there's *social proof, authority, liking and reciprocity* and I like to call these "Trust Building Factors". So if someone is looking to buy something from you, you're a stranger and all these factors of social proof like people say good things about you, like "Everyone I know who's been a student of James is...", they just keep raving about how good the programs are and that's that social proof on element.

So authority, the same thing, liking and reciprocity, these are all things which help build trust. If I give you something first, a free report, a free trial (say if Market Samurai) or something, these all build trust so they take away some of the reluctance in the buy process. But the other two factors which are *commitment and consistency, and scarcity*, are actually not really trust factors, they're actually much deeper than that. I call them "Primal Motivators". So *commitment and consistency*, I'm using this more and more, it's not as effective as *scarcity* but it's probably one of the least used influence factors in conversion today. People have this great need to be consistent with previous actions. So if you promise you're going to do something, then there's this social proof on you that there's a pressure that you need to go through it with that kind of thing. So for example, we would use this testing program shouldn't probably reveal all that tricks but really helps.

James: Go ahead. The more tricks, the better Eugene. It makes for a better discussion.

Eugene: So for example, like anyone who's got to selling software and stuff, it's really easy to say "Hey, I've got a better program", what's really difficult is to get people to give you feedback. It is a form of influence. Every time you're asking people to do something, it is down to influence. So, stop thinking about influence just in terms of sales, start thinking about it anytime you want to get something to take action. So, we've had people sign up to a beta program, so then when we actually go and ask people for their feedback for bugs and testing it, we will begin the email update, we will say "Three days ago, you generously promised to

install the software and give us feedback”, so that’s the commitment and consistency side of things. So you said “Hey, you did this thing in the past”and then I’m going to use that to remind you of that and influence you to say “Hey, can you send your feedback” for example, that’s an easy way. So, or say in the case of Market Samurai, if we’re selling an SEO product or a rank tracker stuff, we will say something like “As a Market Samurai customer, you are serious about SEO,so that will you use something else?” that they’ve done with us.

James: So I think with Cialdini, he also calls that“labeling”.

Eugene: Yeah, absolutely.

James: I did this too recently in my [FastWebFormula](#) community. I asked people “Who’s coming to my event?” and then the next week, I was encouraged by the response enough to go and plunk down a deposit with the venue and then I said “Hey, the Order Button is ready”. And in fact, this time for the first time ever, I’ve used a scarcity element which has been a really interesting experiment and I’ll share that a little bit further on. So I guess we’ve arrived at similar conclusions that you don’t have to amp up your traditional “sale-sy” stuff if you have a couple of devices working in your favor. Is that sort of where you’ve arrived at from the eBay experiment?

Eugene: Yeah, that’s right and I think it’s down to the neurological level like it’s this stuff’s wired into you at a very primal nature;people about the reptile brain and all the emotional brain versus the logical brain. This aspect of commitment and consistency or scarcity which is the punch line is that out of everything we’ve tested, scarcity has actually been the most powerful non-copywriting device that you can use that works consistently across different markets.

James: Okay, now let’s talk about how you’ve taken this discovery, applied it to your business and subsequently developed something that’s so worthwhile that you’re now rolling it out to the rest of us WordPress users. I’m glad you’ve joined the fold by the way. Welcome to the club.

Eugene: It’s been a long time coming. So if I wind back sort of five years, and I can’t even take the credit for this idea I was actually Robert Somerville’s idea, but the usual thing you would do if you had a product right, is you would do a big launch, do a big offer around a launch and then close shop and then maybe reopen it in a couple of months’ time and that would be the traditional way to kind of do scarcity. Rob has this idea and it was a brilliant idea and it wasn’t necessarily a unique idea but we played it, which was how about the price of Market Samurai is 149 dollars, what happens if as soon as you opt-in to get a free trial of Market Samurai, we actually drop sell you to a price of 97 dollars but for a period of 7 days.

So as soon as you do this only kicks in at the opt-in stage. If you just go to the homepage and you buy your 149 dollars, so that’s the price that’s everywhere, through the website. But once you opt-in, we wrote this code that integrates in with the autoresponder and make sure that we know who you are and every click that comes through and the cookie and all that kind of stuff means that if you but within 7 days, you’ll get it for 97 dollars but this is also supported and this is what we’ve kind of worked out through all that emails mentioned the 7 day period was counting down you’re 7 days left, 6 days left, 5 days left. If you go to the website, there’s a little countdown timer that pops up and counts down to show you how much time you’ve got left. If

you open up the app and you're in the trial mode, there's this countdown timer which is kind of in your face saying "Hey, you've got this many days left" and effectively what we did is create all the benefits of a traditional kind of launch but in an Evergreen scenario. And when we implemented this, like the conversion ranks just skyrocket. I mean, you probably could do the math already like 71,000 people over 611, that's like close to a 12 percent conversion rate, which is just rather good when it comes to conversion rates in the industry. And because of that, and okay this is where it comes back to list building, I'll talk about list building in a sec, but if you've got 12 percent conversion rate, people would buy your product.

So, we've got over 10,000 affiliates, James has been one of the early guys that got on really early and he's been one of our top affiliates but we've got 10,000 affiliates, about 60 percent of our revenue every month come through affiliates but we haven't done a massive amount to go out there and get affiliates. It's the fact that our opt-in ranks, our conversion ranks are sort of high that it makes sense to promote our product. So the best way or thing that you could possibly do to build a massive list is to have a crazy performing opt-in and conversion process. And most people, what they're doing today to get those, they'll do a traditional product launch and they'll reap some of the benefits of that scarcity through an initial launch but then, after the launch is finished, they're kind of stuck; "What do I do?", "Do I put people on a waiting list?", "Do I wait 3 months and reopen again?". What if you could actually get all the benefits of having a traditional product launch but every single day of the year?

James: That is the most important element here because in my business, I'm not running product launches. I haven't run the product launch model in the traditional internet marketing sense, I think maybe well forever. I've never really had a huge coordinator thing. I do little mini ones but I've had a six figure monthly income for going on four years in a row now and without product launches but I love the element that you can tap into the scarcity of it, but continue to have it and it doesn't stop. And I think that has to be one of the biggest flaws of your typical marketer's business plan is that they revolve around one single promotion, and then when they get stuck...

Eugene: Don't get me started James, don't get me started.

If you're doing marketing properly too, this is what, we kind of discovered this the hard way too for all of us saying "Hey, this kind of makes a whole lot of sense and things" like, we've been experimenting with different promotions and things and we get cocky and we think we do that pretty well. And there's a reason why they call it "Marketing Campaign" because it's like war. There's so much effort, so much energy and so much focus goes into crafting all the copy. We're doing a launch and we'll do Evergreen afterwards. We have to write something. We've written something like 30 different emails, each email takes us half a day to a day to write plus the video that we've done it has taken us 3 weeks in terms of scripting and all this kind of stuff. We put a lot of effort into marketing. To do that and then throw it away, is the most stupid thing that you could do! If you've got something that's converting, yes it's really nice to have a big pile of cash in your bank account, you know that's really really good, that's fantastic, but what's much nicer is to get a really nice amount of cash coming in each and every month. That's the stuff that pays the bills.

Like in our business, we've got a ton of stuff and all this sort of stuff. The things which pay the bills is the monthly income and so that's why if you're not doing stuff Evergreen, then we like to

say it's just like you're a paid-by-the-hour contractor and you're just living from promotion and promotion. Unfortunately, James will back me up here, that all the big IM gurus and all that sort of stuff that they are. There's living, none of them really have what I call a business. A business is something you can sit back and it brings in money each and every month without you having to do a whole lot. If they are living from promotion to promotion, they just promote each other's stuff. That's all good if it works really well and if you're a one or two-man business, you don't have a lot of overheads, that can work really great. But I still think that's not what I would technically call a business. If you want a business, then whatever you need to do needs to be Evergreen and it's continually growing over time.

James: Well, you know the thing is when you do have a little promotion here and there on top of a solid business, it's just like cream. To back you up on what you're saying about the lack of selling and the combination of consistency and scarcity, last week I just mentioned that my event is coming and then I put up just a short video which apparently got stuck at the 2 minute mark, so it was like a 3 minute and 29 second video and it got stuck at the 2 minute mark so it wasn't even a proper sales video in the first place and then after that, it wasn't even working properly, and I merely mentioned it on my usual daily email out to my customers. And on the page, I've tried for the very first time a scarcity element which is that the price goes up one dollar for everyone who orders it and I've never done a dime sales script before. But the traditional thing that happens is I might have an early bird price and it stops at a date and then it goes to the normal price. And always, on that date, there's like 20 or 30 orders of tickets so it puts a lot of pressure and stress on people for that day. And this has been an experiment but from 104 views of my non-sales video that was non-performing in terms of not loading properly, I made 20 ticket sales in the first day. And to watch it going up, people know that if they come back later, that it's going to cost a little more. It might only be a few dollars more but it will be more expensive the longer they leave it.

So I'm really fascinated by this experiment but the lack of pressure and the lack of hype driving this is phenomenal. So to put that in simple terms, that is around I've got about 20,000 dollars' worth of sales from a 2 minute partial sales video that just went out to my consistent and committed blog where I post feature content every single week for the last 10 months in a row; so you build this system, it's awesome. Now I'm looking forward to implementing the key findings that you've got and now that you've got a WordPress plugin and since I run WordPress, this is going to be easy for me to roll out. And today, I've already installed your plugin on one of my sites and I'd love you to tell us about the plugin, how it works, who it's for and let's go a little bit further into the tech specs.

Eugene: Yup, okay. So, there are typically two, I completely agree. I think like promotions is you certainly want a nice combination of promotions plus your Evergreen, so we definitely do promotions. Anytime you've got a reason why to give someone a particular offer, you should take advantage of it. So, the plugin that we've got, it's basically there's two typical ways that you would use this. So, one is in a non-Evergreen sense, so you're doing a Valentine's Day special or something like that. You've got a specific fixed date that you're going to be running a particular promotion and so what the [Scarcity Samurai plugin](#) will actually go and do for you is integrate some with your autoresponder. And if you have a multi-page campaign, so you've got an opt-in form, maybe a few bits of content and then maybe a sales page, a kind of traditional kind of PLF style product launch conversion funnel, then you can hook this stuff up to Scarcity Samurai and it integrates it with your autoresponder and then as you opt-in and as

you view all the different pages and as you view the sales pages, you'll see this kind of countdown timer which is counting down to your deadline. So that's kind of the fixed date side of things and it also works on single pages.

The single page thing is probably the more common scenario. You just have a sales letter and you just want to put up a time runner. So that's pretty basic but the interesting thing which could probably make this really unique is the Evergreenside of the scenario. So if you wanted to copy what we were doing in our Market Samurai funnel, then we have a couple of Evergreen wizards that will set this sort of stuff up within your site just with a couple of clicks in a couple of minutes. So, you would take a traditional squeeze, a couple of content videos and some sales videos, and with a couple of clicks, it will integrate in with your autoresponder, add these countdown timers to the different pages on your website. And then when the offer expires or when someone joins in the opt-in on day one, the offer will expire 7 days from the opt-in date. And if they try to access the offer after that, it will say "Hey, the offer is expired" or you could redirect them to a page where they can join a waiting list. So that's kind of the plugin sort of "in a nutshell" in terms of what it can do.

The interesting thing is this is the exact same technology we've been using in our Market Samurai funnel. We would have a couple of guys in our copywriting team and one of these guys is actually in the scrap booking market, the craft market. Right, and so we thought we're really big testers of this thing. We knew this thing work really well in the IM space but hey, does it work in other markets? So he's got a scrap booking product and we actually ran a very very intricate split test of where we use the Evergreen wizards and Scarcity Samurai and we also mentioned scarcity in the emails and subjects and just sort of had one version of the conversion funnel which just had sort of scarcity stacked up to the max and another version which still had all the copy and everything was identical, it just didn't have any scarcity element at all. And I kind of had a bet with the guys and said "Well, gee, my gut feeling just from whatever ten years of copywriting and such has been, I reckon the conversion rates will be double". That's just been kind of my rule of thumb. I haven't been stupid enough to try and test it because I just know that scarcity works so well. But when we actually test it in the scrap booking market, we found that it wasn't double, it was actually 450 percent improvement in the conversion rate. By having visualized scarcity and the combination of the plugin and including scarcity and just mentioning the deadline in the emails and the subject lines and that kind of stuff, but scarcity versus non-scarcity, 450 percent increase.

James: Wow. Did I read correctly – you've got a "double your conversion rate or it's free guarantee"?

Eugene: Yeah, I know it's kind of crazy like when we were actually writing a copy for this because it's we're so, this is just so internalized in me. I so believe in scarcity as a selling thing. So what we did, we did a beta test to about over about a thousand people and just to say "Okay, we've tested in now three or four different markets and plus all the other stuff we sort of do in-house, like how effective would this be working different markets?" and again, we're at the beta test and the average improvement has been over a hundred percent improvement in conversion rates, when people installed and use it. So, we said "Well, why not? Like seriously, if you're not going to get and increase your conversion rate at over a hundred percent you can have your money back." So, it's a pretty gutsy guarantee from our side but we like the numbers sort of back it up. And the other thing too I guess which I haven't mentioned because

you're talking about list building earlier on is that we, it wasn't supposed to be even my idea I kind of taken credit for it.

One of the guys in the copywriting team, Ben, he said "I wonder if this stuff will work for opt-ins?", right so this is this scrap booking product, so he actually put a, he's got like a three minute squeeze video on his squeeze page. So he used Scarcity Samurai, he put the countdown timer, so it's a three minute video and I think he had, he made the timer start for four minutes or three and a half minutes or something and basically said "You've have this, you've got 4 minutes to watch this video before it expires and it's gone forever or something like that" just as a random kind of experiment and his opt-in rate increased by 40 percent. So, there was so many different ways that you can use scarcity just outside of the traditional sales and it can be a boost in your opt-ins, boosting any kind of call to action that you have. So that's what I'm saying, that's where that 450 percent number comes. If you actually apply this stuff for all the calls to action that bring people closer to the sale, then you know you can really get or you can really see this sort of stuff add up. That's kind of a plugin in a nutshell. I said it's been now, it's been our first WordPress plugin that we've brought to market. Traditionally we've done just kind of SEO related products so this is a bit of an experiment for us.

James: Well, I guess you'd call this a byproduct of running a successful business. So if we were to summarize this down, this is what you've been using to increase the sales of your best selling product.

Eugene: Absolutely.

James: And now other people can just literally plug into it and away they go.

Eugene: Yeah, and I think from a product development perspective, and I know people probably listening are probably looking at creating their own products, I think we've had a big mindset shift around things and sort of recent years. Which is I really believe that you should be kind of customer number one if you can, particularly in software. Be customer number one of your product. If you're the first person that's really excited to get your hands on this product and you're using your product, then, not to say that people might not want what you've built, but there's a better chance that they will.

James: Right and I think that's true of the best software products that I use and recommend the people who develop them are passionate about them and they develop them for their own selfish requirements first, myself included. I developed my own dashboard because I couldn't make the ones that were out there do what I wanted it to do and I still use it every day so I'm very excited about that and if other people happen to be able to get the same results or benefits from using the software that I use in my business, then it does make sense to use that as the base for something you'd roll out. I'm really excited for you about this.

Eugene: Yeah, now we're excited too. We've got some feedback, it has been really amazing. We just weren't sure what the feedback was going to be about the product because it's a conversion product as opposed to an SEO product. But the feedback has been absolutely amazing. So yeah, we're really excited to see what people are going to do with it. I mean, I just look at the top 5 or 10 products on the Clickbank and a lot of them are not using Scarcity and I'm thinking "Gee, if they could just you know, add this stuff that scarcity to their

existing sales forms, that would do”. In fact, in a future version of this product, we’ve already got this sort of working in-house our own version but it’s not in the retail version. We know there’s a lot of people that do affiliate marketing. We’ve actually worked out some really cool ways that you can add scarcity to your affiliate marketing stuff. So, yeah, it just sort of works the space.

James: That is cool. Now, I’m really interested in these sort of devices. I’ve had a good run with using bonuses, like incentives as an affiliate. In fact, I will have an incentive at my [BuyWithBonus.com website for Scarcity Samurai](#) and I’ve also used different elements such as increasing prices overtime for my memberships, etc. And that’s been wonderfully effective as well. So, I’m really excited that you’ve taken the benefit of scarcity and being able to help someone make that an Evergreen implementation because almost everything I do is Evergreen-focused these days. So, good luck with the development.

What was the biggest “Aha!” moment from your thousand beta testers that maybe surprised you?

Eugene: The big thing probably was just how consistently it works across different markets, like all sorts of crazy markets that you just wouldn’t expect any of this sort of stuff to work. That’s probably the biggest walk away moment. The interesting thing probably also is that, where we’ve probably got Evergreen business, where we’ve got selling bits of software and that we actually have one person say “Well, they actually had to switch it off”and we’re “Why’d you have to switch it off?” because they were actually getting too many sales because they were like consulting businesses and so many customers.

James: They had a capacity constraint.

Eugene: Yeah, so they actually said it’s like “Make the money stop!” so I thought actually that was pretty funny.

James: Well, I posted a video about this last week – [the classic capacity marketing see-saw](#) and that it is a bit of a battle for service businesses, especially. If you get your marketing right, you run out of capacity and then you have to increase your capacity. And then when that’s ready, you go and do some more marketing. So I suggest most listeners would be able to increase the marketing side of their equation straight away just by installing this.

Eugene: Absolutely, that’s right. That’s actually a really good point. I used to kind of joke that a copywriter’s jobs was to create headaches for the business, but I don’t joke about that now. Like, you really need to balance your marketing and your ability to deliver your products, otherwise you’re just going to end up with unhappy customers. But still, it’s kind of a good problem to have, but you still need to work on what your constraints are and your business.

James: Well I know you’re a neck deep in helping get everyone out there in the market place advised about this new product. So, I will put a link to your product, it’s [Scarcity Samurai](#), Eugene Ware from Noble Samurai. I really appreciate you spending time with us today and helping us get our mind around this implementation but also, I love finding out about the success of a good Aussie business and with hundreds of thousands of subscribers and such a

huge sales conversion rate, obviously your products are fantastic. So, well done and thanks for spending the time with us.

Eugene: Yeah, thanks for giving me the opportunity to talk to your listeners.

I recommend you head over and pick up a copy of [Scarcity Samurai](#) from [BuyWithBonus.com](#) where you would get an exclusive bonus with your purchase. Thanks for listening.

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