Hybrid Marketing

Applying Information Marketing Techniques to eCommerce

Harry Gilliam Skylighter, Inc.

Hybrid eCommerce & Info-Marketing

 Applying proven information marketing techniques to selling physical products

Largely email based

Value of Email to Skylighter

- Relationship builder
- Builds loyalty & repeat sales
- Counters seasonality
- Better control of cash flow timing
- Adds 50% to our revenues

Skylighter.com

- o Ecommerce retail site
- o Web site since 1996
- Sales 7 figures a year
- Stock 1,000+ products
- Fireworks & supplies for making fireworks

Fireworks Maker Market Segment: 60%

- Our list: 37,000 US males
- Repeat buyers
- 5-year lifetime value \$600
- O Average invoice \$120

Unique Marketing Problems

- Google says NO! to fireworks Adwords
- o Fireworks making is black-box
- Big learning curve for customers
- Highly seasonal July 4th

Most Site Visitors Are Newbies

- Takes a long time to learn
- Newbies don't know how to make fireworks
- So they don't know what to buy
- That slowed our repeat sales
- Most would start, fail, quit

The Knowledge/Info Gap

- Existing info written for experts
- Over newbies' heads
- No books or videos showing beginners how to start making fireworks

Bridging the Info Gap

- First we tried selling them books
- Then videos
- Then we wrote fireworks "How-To" projects
- Still they failed

Solution: Our New Concept

- Help newbies get started & succeed fast
- Create pool of active customers
- Market stream of projects & kits to them after they get started

Hybrid Technique #1: "Turbo Pyro"

- o 2 Components
- o eBook + fireworks supplies kit
- Use info marketing methods to sell it

Turbo Pyro eBook: Download

- o Entry level: Fireworks 101
- Deliver results, not theory
- Promise: Make 10 fireworks this weekend
- Benefit: 1 year of learning reduced to 2 days

Turbo Pyro Kit:

- Physical product--shipped
- All supplies for 10 projects
- o Bargain: \$650 reduced to \$197

Turbo Pyro: Product Launch Formula" model

- 1st Launch: \$85,000
 Sold out in 1 hr. 28 minutes
- o 3 Re-Launches: \$40,000 - \$70,000
- o 1200 Turbo Pyros sold-16 months

Turbo Pyro: Marketing Features

- Survey & determine objections
- Overcome objections with free hivalue information in prelaunch
- O Real scarcity
- o Early Bird list

Turbo Pyro: Marketing Features

- Add bonus products excitement
 - 2 bonus projects download
 - Bonus supplies included in kit
- o List building
 - Get referrals
 - Get email addresses Every time you give something away
- One-click upsells: 38% purchase

Turbo Pyro: Free Money

- Support has always been free at Skylighter. But...
- We offered a "Pyrotechnical Support Plan" - \$25/month
- o 30% bought it 5 months avg. stick = \$125 found money

<u>Hybrid Technique #2:</u> Deep Discount Sales

- O Used Frank Kern's "4-Day Cash Machine"
- o The Offer: 50% Off
- o 4 Days Only
- O Good Bonuses
- Copied Kern's Emails
- o Results: \$140,000 each time

<u>Hybrid Technique #3:</u> Promotions Every 3-5 Days

- New fireworks making projects & kits
 - Give away a new project
 - Offer a matching supplies kit
- O Price promotions
- o Free shipping
- Use bonuses for scarcity—mostly information
- Always scarcity & deadlines

Shake-the-Tree Effect

- Every promo produces sales unrelated to the offer
- May be impossible to measure, but definitely happens

<u>Hybrid Technique #4:</u> Combo Landing-Checkout Page

- Combine LP and Cart/Checkout page
- o http://www.Skylighter.com/
 Plasma-Cutter
- o BIG increase in conversions
- Contains 1 click upsells
- o BIG increase in \$ per sale

<u>Hybrid Technique #5: Get 25%</u> more revenue - every mailing

- Remail same letter to unopens
 - But change the subject
 - Consistently adds 25% more sales
- o Extend the offer
 - If response is high at end-extend
 - Can add 25-75% in sales
 - Don't over do this or you'll lose trust

Hybrid Technique #6: Increase your subscribers 10x

- We were getting 1.4 opt-ins per day
- Installed a javascript pop-up = Presto!
 Increased to 14 per day Overnight
 - Offer free information—compelling offer
- Yes everybody hates popups
 - Cookie subscribers
 - Only appears once per visit worst case
- Delay the popup 60 seconds for us

Differentiate yourself with Value-Added information

- Find out what your customer needs/wants to know
 - Ask & Survey them
- O Give value-added info away
 - As bonuses
 - As prelaunch relationship building
 - Packaged with hard goods
 - Newsletters to new subscribers

Charge premium prices by adding needed information

- Increase utility/value of your product
- Reduce price competition
- Escape the commoditization trap
- Outclass your competition
- Build real relationships with customers
- Increase repeat sales

Watch the Info Gurus

- Especially their sales techniques to you
- Save their emails, landing pages, videos
- O Buy their stuff—It works!

Make List Building a Top Priority

- Start capturing names <u>even if you</u> <u>don't have anything to give away</u> <u>yet</u>
- Create opt-in magnets
- Give freely, but get emails
- o Each of my email addresses = \$21.62 in 2010

test, test, test, test, test,

TEST!

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