



Ray Edwards Show, Episode 308

The Death and Resurrection of Email Marketing

Ray Edwards: *Ray Edwards Show*, episode 308, The Death and Resurrection of Email Marketing.

Voice-over: It's the *Ray Edwards Show*. This is the podcast for prosperity with purpose.

Song: Let's change the world and watch your business grow. Welcome to the *Ray Edwards Show*. *Ray Edwards Show*.

Ray: The good old days of email marketing. The good old days when you could just send email to anybody, they would open it. It was like a special thing. It was like getting a telegram in 1890s. But lets, real, real quick. Real quick, let's just talk about the term the good old days.

Sean Edwards: Oh, do we really want to dig in to that hole?

Ray: I just watched-- I'm late to the party on this, but I just watched *Hidden Figures* with your mother last night.

Sean: I haven't seen it.

Ray: It's about the African-American women who were responsible for all the mathematical calculations that John Glenn didn't die, among other people. And just watching it, watching the good old days back when America was great, when they were treated like dirt, it just made me sick and sad and realized that we still have work to do.

Sean: Yes, and I just wanted to just point out that I would postulate that anytime the phrase the good old days is used, virtually every time that phrase is used, it is not true.

Ray: No, it's a skewed unrealistic view of the way you think things were.

Sean: It doesn't matter what period of time you're talking about, by virtually every objective standard, today is better than yesterday.

Ray: Because the world is in a constantly improving state. Despite-

Sean: What the media wants to tell you.

Ray: And despite what many-

Sean: Because-- here's a secret about the media. They're a business. They need customers.



Ray: Okay, but now you're opening a can of worms because that kind of implies that because they're a business, their motives are not morally sound.

Sean: Well, I'm just saying that they have to be held responsible. They have to create a product that customers are going to buy. Just like any other business.

Ray: But my postulation is they don't have to create a constant environment of negativity and sensationalism in order to make a profit, but it's the easiest way for them to do it.

Sean: Yes. Well, and it's the-- I mean, come on. It's what people want right now. It's what the customers want.

Ray: Okay, but there comes a point where you don't just give people what they want just because it's what they want, because it's often wrong.

Sean: Yes. No, I agree. I'm just saying.

Ray: You opened this can of worms.

Sean: People, I'm trying to say just because you think, "Oh, look at the news, the world is getting worse, today is worse. That's crazy." No, it's because good news doesn't sell.

Ray: Well, poorly done good news doesn't sell. It's a lot easier to sell bad news.

Sean: It's much easier to sell bad news.

Ray: And I don't mean that we shouldn't talk about the bad things that are happening.

Sean: But it's not objective.

Ray: No, it's not objective.

Sean: There's no way that CNN, MSNBC, ABC, Fox, that they can be objective, because they are a business and they are creating a product that their customers will buy. And they're-

Ray: Okay. But again, it sounds like you're saying, "If I'm a business, I can't be objective."

Sean: No, what I'm saying is that people treat the media as if it is this objective. It's supposed to be this objective unbiased thing. I'm saying that's a fallacy that never existed.

Ray: Never?



Sean: I don't know. When would you have said that there was a news agency out there that was just-

Ray: During the period of time when I was 12.

Sean: Then the good old days?

Ray: The good old days. [unintelligible 00:03:41]

Sean: I mean, people are like, "Oh, that's just sad. Maybe we should have a non-business news." Well, then, you have government news-

Ray: That is even more biased.

Sean: - called propaganda. So, here's the deal, people. Here's the deal. You have to think for yourself.

Ray: Oh, now see everybody tunes out. I love that language from radio, everybody tunes out. This is a podcast, it's a recording.

Sean: What are we talking about, again?

Ray: The good old days of email marketing. When you could just send blast emailer, you send out an email blast. I hate that term by the way. I'm going to send out an email blast, who wants to be blasted by email?

Sean: Me.

Ray: I've got good friends who use that term, I'm trying to break some of it. But you could send out an email blast to make millions of dollars just by sending a simple email. That's not really how it worked, but one thing that was different, and it is true about five, ten years ago, in email marketing it was, it was a lot easier to get people to sign up for your email newsletter. It was a lot easier to get people to open their email and to read it. It's tougher these days, a lot tougher.

Sean: Well, not everyone and their uncle has an email list.

Ray: And most of them don't know how to use it correctly.

Sean: No, and most of it feels like very spammy.

Ray: I mean, even we are-- and we'll talk a little bit about this in a few moments, but even we are going through a renaissance of thinking very carefully about how we're dealing with our email list. About being more careful about segmenting and sending emails to people about only what they're interested in, and then watching their behavior and letting their behavior trigger what emails they get and what emails they don't get. It takes a lot more work to do it well.



Today we're going to talk in the next part about this. We know a lot about it, but this guy really knows a lot about it because he is the founder of convertKit, which is one of the most popular email service providers on the internet, it's Nathan Barry. ConvertKit is a professional-- well, he'll be explaining what it is, if you haven't heard about it. I'm sure you probably have, but we'll get to that. That's coming up. Plus I'm going to give you the tip of the week. I have discarded my Ipad. I have moved on to something else. I'll explain voluntarily, I know it's shocking to say bye. You won't believe what I did.

Sean: Click bait, except this a podcast.

Voice-over: Does anyone want to live a life that is long and prosperous? Spiritual foundations.

Ray: Spiritual foundations. I'm going to go over three principles that drive my daily activities in my business. There's a little sign over the door of my office as I walk in. It's on a pink index card.

Sean: Like, no man enter here who's ignorant of geometry?

Ray: How did you know?

Sean: [chuckles]

Ray: No, wait. That's not what it says. It says, "All hope abandon ye who enter here."

[laughter]

Ray: No, that's not it either.

Sean: What's that? The thing in the cave with the dead people and lord of the rings, the way it shot?

Ray: Oh, my gosh.

Sean: [laughs]

Ray: There's so many bad things you could put over your door. Now, what's in front of my door, as I walk in I see it every day, is a pink index card, and on it I have three words written. They are presence, people, and prophet. I just want cover what those mean to me. This is part of the spiritual foundation of my daily business life. It may be useful to you, and if not, you can always hit the little fast-forward button.

Presence has two meanings for me: number one, and the most important, is the presence of God. Being aware of God's presence every moment of the day. I'm not aware of it every moment of the day, but I work toward that as a goal. Trying to pay attention, what is God doing in this moment? Where is God in this interaction with



this person? How can I partner with what is God doing so that I can achieve the outcomes that are most beneficial to everybody involved. That, to me, is what makes business successful.

If everybody benefits to the maximum amount, then we all win. I win as the business owner, you win as the customer, and every body who's affected by that transaction also wins. So, the first meaning word of the presence is the presence of God. Practicing the presence of God. You might ask, "Well, how do you practice the presence of God." Well, it's really complicated, it's really mystical, really difficult. You have to train for years. Oh, wait. No, you don't. All you have to do is ask the question of yourself, "Am I aware of God in this moment?"

If you said, "No, I'm not. I don't feel him. I don't see him. I'm not aware of him." Then ask this question, "If I was aware of him, how might I see the evidence of this activity right now?" Try it, experiment for yourself. And as Sean said earlier, then think for yourself. The second meaning of the word presence is being present with people. This is a big deal to me. And it's a constant irritant to me, which probably is a character flaw of mine, I should not let things get to me like this, but I'm driven crazy by people who are not present with me when I'm trying to talk to them.

If I'm sitting with somebody at the coffee shop and we're talking, and they're constantly checking their phone for their text messages. What they're saying to me is, "Whatever is coming on to my phone, I have no idea what it is, but whatever it is, it's more important than what you're saying." Well, that doesn't feel good. Now, I'm guilty, sometimes, of checking my text messages because I want to know if my wife is texting me or if Sean is texting me about something at the coffee shop, like, "We're out milk, help." But for the most part, I try to keep my phone on my pocket when I'm talking to people.

I used to keep it on the table. I try not to even to that. And it's on the table right now even as I say this, so I'll turn it over. That's better. But I try to just keep it in my pocket so it's not a distraction, because I want the person I'm speaking with, or speaking to me, I want them to understand I'm present with them in that moment. Because you can be present with somebody physically and be checked out totally mentally. You don't have to be looking at your phone, you can be looking right at them.

We've all experienced it. We're talking to somebody and we're looking at them and they have that look on their face and suddenly we realize, "Oh, they're somewhere else." If you're like me, you sometimes are playful with that. You're going to say something like, "So, anyway, then I was eating a grasshopper sandwich and it was really good." And you wait to see if they say something like, "Oh, yeah, really." Then you know they weren't listening. That's not really nice to do, but sometimes I can't help myself. Be present with people.

I am not perfect at this, I have my moments where I'm distracted by my eye device. I'm distracted by activities around me. I'm distracted by things that I'm preoccupied



with mentally. But I work toward every day being more present with the people that I'm with. The second principle-- the first was presence. The second one is people. That is a reminder to me to not forget that the basis of my business is people. People who I work with, people who I partner with, people who are my customers, people who are my audience, people who read my content. Without other people, I would have no business.

So, to say people are the most important part of my business is not to be altruistic and say, "I'm just here to give. Sacrifice myself totally to the people, even if I don't make a profit." That's not what I'm saying. I'm saying, "No people, no business." And then third is profit. Because if you don't have a profit, you won't have a business for very long.

Sean: Unless you're a non-profit. Let's not talk about that.

Ray: Let's don't, because it makes a lot of people upset. Not that we're against that, but I want to make people upset about one thing each week. I want to have one most desired upset. Those are the priorities that I think about every day in the business as I walk in the door. Presence of God, being present with people, then people themselves and their importance, and then profit. I believe if I follow that order of priority, the profit will take care of itself.

Voice-over: Now, simple hacks that make life cheaper, easier and faster. Ray's tip of the week.

Ray: Okay. Here's the tip of the week. I told you I've abandoned my iPad.

Sean: Click bait.

Ray: My small iPad.

Sean: Yes. Well they make a small iPad. You did not have a small iPad.

Ray: They don't make those anymore.

Sean: They make the minis.

Ray: They do?

Sean: I'm pretty sure they do.

Ray: I'll have to just share the leftovers.

Sean: Maybe.

Ray: I bought the 12.9 inch. The big iPad Pro. The newest one with the fastest processor. I've been thinking about it for a long time. The funny thing is when the iPad Pro came out, I was going to buy a big one. I was talking to Cliff Ravenscraft and I was so enthusiastic about it, he bought the big one. Then he talked to me a

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couple of weeks later and he said, "So, what did you get?" And I said, "Well, I got the 9.7." "Dude, you told me you're going to get the big one." "Well, I just changed my mind. It's too big."

But I've watched carefully as he's used his iPad and how he uses it, and how I use my iPad. Then I listened to David Sparks on the *Mac Power Users* podcast. He uses the big iPad, big iPad Pro, and he uses it for stuff that is very similar to things that I do. He's an attorney and I'm not, but he deals with a lot of documents, deals with a lot of annotation, making notes on copy basically. So, I finally decided I was-- I went into the Apple Store because my smart keyboard cover was fritzing out on me and I was going to get a new one. This is how it happened, folks. Let me tell you what's going to happen to you when you go to the Apple Store.

So, I look at the smart keyboard covers and it's \$159 to replace it. But I have to wait because they're busy. I decide, "Well, let me go look at the big iPads again." I start looking at the big iPad, playing with it, using the pencil, using the keyboard. Look at the screen, doing the split screen thing. The guy comes over and says, "So, did you want just a keyboard or are you thinking about this big iPad?" I said, "Well, I'm thinking about this." We talked a little bit about why. I was just going to buy the keyboard cover, the smart keyboard cover for my existing iPad.

I stood there looking at the keyboard cover for the existing iPad and looking back at the big iPad Pro, the 12.9 inch. The guy says to me, "You're going to do it anyway." I figured, "Well, I'm going to spend \$159 on the keyboard, do I want to have to buy another bigger one later? Like a month or two from now? No." So, I came home that night. I said, "I did something crazy, guys. I bought this giant iPad." Here's five reasons why I prefer it to the small one already. I've only had it for a few days.

Number one, it's the size of a full sheet of paper. I never really thought about this until I had it and realized this is like having a full sheet of paper to write on. Number two, split screen is actually practical on the large, the 12.9 inch iPad Pro. It's not really practical on the smaller one. I've tried it and it just makes the windows too small. It's not easy to do. But just this morning, for instance, I was writing an email and I was looking at some other copy as a model for what I was writing, and I just split the screens and I could work in one window and look in the other window. It was perfect.

Number three, GoodNotes, which is my note taking application that I have on my previous iPad, I didn't use it for a lot of handwritten notes because it was too small an area to work in. I tend to write large, just like the apostle Paul. We're a lot alike, him and I. Now, GoodNotes is functional to me as a digital note taking platform. I can hand write my notes and I can draw little illustrations or do sketch noting, whatever. And it works really well for me. I'm very excited about that.

Then number four, I can annotate Pdfs. As our graphic designer **[unintelligible 00:15:49]** will tell you, I've really gotten enthusiastic about that, too. Because I keep sending him stuff back with like red marks on it and change this.



Sean: But you could do that on the smaller one.

Ray: Yes, but it is more fun on the big one.

Sean Okay.

Ray: Number five, I, more often now, I can leave my laptop behind, because there's very few things I can do on my laptop that I can't do on my iPad Pro. Now, editing video, I know it's theoretically possible, but it's not really practical. Infusionsoft won't work on my iPad. Which Infusionsoft, really?

Sean: Well, I've thought about that and after getting really indepth knowing how Infusionsoft works, I can't imagine how they would build an app.

Ray: They could at least make the email builder work, I just wanted to send an email this morning.

Sean: That's true, they could do that.

Ray: And I couldn't do it, because I get this message that pops up that says, "This only works with current browsers," which really means Firefox pretty much. Come on, Infusionsoft, you've got a ton of cash infused into your business. Use it. Fix that thing. Okay, I love Infusionsoft, but I have issues with them. We need couple's counseling.

Voice-over: And now, our feature presentation.

Ray: All right, let's get right to our interview with Nathan Barry, the founder of ConvertKit. You use ConvertKit.

Nathan Barry: I do, for my personal site.

Ray: I think you're going to start using it for the coffee shop.

Nathan: Yes.

Ray: Which is, by the way, Revel 77 on 57th Avenue Spokane Washington. Is it 3223?

Nathan: Yes.

Ray: [unintelligible 00:17:26] I learned the address.

Nathan: You are learning it.

Ray: Come by have some coffee. We're thinking about, let us know if this is interesting to you. We're thinking about, especially Spokane area people or in the northwest people really, we're thinking about having a monthly internet marketing



meet up at Revel. So, we would host it. You'd come in we'd meetup with other marketers and share ideas on what's working for us, what challenges we have-

Sean: And by host it, we mean you could come there.

Ray: And you could buy some coffee.

Sean: Yes. We're not going to buy you coffee.

Ray: Because we're in it to make a profit. But it's a cool place. So, if you're interested in that let us know. Just drop us an email or tweet us or Facebook us or whatever your medium of choice is. But let's talk about email with Nathan Berry. What is ConvertKit, first of all? Let's start with that.

Nathan: Yes. ConvertKit is a email marketing company for professional bloggers. It's kind of-- some people tell me that that's a really strange obscure niche, but it works well into the world that I came out of. Years ago I was using MailChimp when I had this little blog teaching people how to design software. I discovered, similar to probably as you did and thousands of other people on the Internet did, that like, "Wow, I can sell e-books and people will buy them about any random topic, like how to design iPhone apps, and I can make a whole living off of that."

Ray: Yes. The first product I bought online, I'll never forget. It was an e-book that I paid \$60 for, which seemed outrageous to me. It was like crazy, insane, and my wife thought so too.

Nathan: Does she still feel that?

Ray: No, she's all happy with it now, but at the time she's like, "You spent 60 bucks for what?"

Nathan: No, you don't understand. This is a great Pdf.

Ray: It's called the *Amazing Sales Formula* by Marlon Sanders, which that really looked-

[crosstalk]

Ray: - for and made her totally comfortable with the idea. I love the way you describe it, an email service for professional bloggers. Let me just ask you the obvious question to me. There's all kinds of email service providers for people who have online businesses. There's AWeber and Infusionsoft and all these different companies, and they all do a good job. What in the world made you think we needed another one?

Nathan: That's a good question. I think it's probably one of the most competitive markets on the internet. I think if you're betting for like, you know, PPC keywords around auto insurance or something like that, it can be a more competitive market.



But email marketing is not too far down there. You and I could probably rattle off like 20 companies that do over 10 to 25 million a year in revenue a minimum in the email space.

But I really had that approach of just feeling like they were all kind of generic and they were-- all the ones that were raising funding, take like in Infusionsoft for example, they were having to go mainstream and they're like trying to serve all of the small business of like the upcoming company. And then at the same time, they're like, "No, we're perfect for bloggers and internet marketers." And I was like, "I don't know, I don't see it."

Nathan: Yes. Well, it's been fun to come into this world of like, "What if we threw out all the generic stuff that's like built for the thousands of other types of businesses out there?" And we just said, "Look, what do bloggers and online content creators and Podcasters and course creators, what do they need?" And then we go build exactly that. And really, it was even more selfish than that, because I was just like, "Actually, forget all of them. Let me just build what I need and what I want, and then trust that other people have the same problems that I do."

Ray: Well, that's like the Derek Sivers' approach, right? Scratch your own itch.

Nathan: Derek Sivers is one of my favorite people on this planet. He is amazing. If any listeners have not already read anything you want, go on Amazon right now buy it. Takes an hour to read. It's basic.

Ray: Yes, it is. So, you designed this software to satisfy your own needs, the things that you needed, but also you were solving problems for professional bloggers and people who operate in this space and in a way that made sense to them. Kind of describe, what was the first year like of the company? Was it difficult? Did you have trouble spreading your message or was it easy?

Nathan: Yes. I did what any good blogger does and like live-blogged the entire process of starting a software company. The first six months went pretty well. I've got initial traction. My goal was to get to 5,000 a month in recurring revenue within six months. And that didn't happen, but we got to 2,400 a month, and I was pretty happy with that, of idea to 2400 a month in revenue in six months.

Ray: That's pretty amazing.

Nathan: Yes. What was less amazing is like the year following that, where I had these digital products, that's how I was paying my bills, and then I was working at ConvertKit at the same time, and it just kind of stalled out. And then the more trouble I was having driving growth, the less motivated I was to work on it. So, I ended up working on it for probably 15-20 hours a week for the next year without getting much growth at all, which was actually really really frustrating.

I even talked about this startup stories where it's like, "Oh, I had this brilliant idea, I just worked out and I hustled, got it out there, and then like boom, hockey stick," as

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far as the growth curve. That was just not my experience at all. So, a year and a half in, we were actually at \$1,300 a month in revenue. Yes, as far as everyone talks about a growth curve, that's not what it's supposed to look like.

Ray: Yes that's the wrong curve.

Nathan: Yes, exactly. But then a friend of mine about that time was like, "Hey, I think you should shut down ConvertKit." And I remember thinking like, "Hey, what are you saying this for? I've put a lot of effort into this. I clearly care about it and you're just telling me to shut it down?" And he was like, "Yes, you're going to be successful at whatever you do. You've proven that by building an audience." My e-book business and everything was doing about 200,000 a year at the time. But he was like, "This is clearly not working, shut it down, move on to something else."

And he let me sit with that for a little while before he continued the conversation and he was like, "Or you could take it seriously and you give it the time, money, and attention it deserves and build it into a real business. But you doing this on the side is clearly not working. So, either shut it down or double down." That guy's name is Hiten Shah. He's famous for products like KISSmetrics and Crazy Egg and a bunch of amazing software products.

Ray: Wow, he's kind of a big deal.

Nathan: Yes, he is. If you've ever used Hello Bar, all that stuff, Hiten and his brother in law Neil are behind all of that. Him saying that was really a turning point. Because I thought about it and I was like, "Okay, if I shut this down, a year from now what am I going to think?" I was always going to have this idea in my head of like, "Could I have made that work?" I didn't feel like I'd given it enough of my best effort to shut it down and feel confident that like, "Yes, that wasn't the right idea. I wasn't the right person to do it," or whatever.

And said if I shut it down I knew that I'd always look back and go, "I don't know. I wonder if I could have made that company work." So, at that point, I decided that I had to double down on it. So, I invested all of the profits from the e-book and course business in it. I hired an actual team instead of using contractors. That's the time that we kind of narrowed down the focus to be specifically on professional bloggers, and then I started direct sales. So, we kind of ramped up slowly from there.

I went from 1,300 a month to 1,600. And then the next month was 2,000 a month, then 2,300-2,400. Then within six months of that decision, we'd gone from 1,300 a month to 5,000 a month in revenue. Then things just started to accelerate from there. A couple of months later we got Pat Flynn on board. I think we were at like 10,000 to 12,000 a month in revenue when Pat Flynn started checking it out and saying, "Oh, this is interesting," and then he switched his list over from Infusionsoft.

And then a few months later, we were at 20,000 a month and Pat started promoting it, along with some other people in different industries, and the direct sales, we started getting a lot of referrals and that kicked off. Let me think about this. In 2015,
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January 2015 we were at just over 2,000 a month in revenue and we closed out that year at 98,000 a month in revenue. It was just like absolutely wild ride.

Ray: Wow, crazy.

Nathan: Yes. I guess just to finish out the growth curve, last year we went from basically 100,000 a month to 500,000 a month. So far this year we've gone from 500,000 a month to 840,000 a month. So, now it's turned into like this massive thing that serves 15,000 customers. We send billions of emails and have everyone from like Chris Guillebeau to team Paris to Leo Babauta to-- just a whole ton of amazing people using ConvertKit.

Ray: So, you're not sorry that you went all in.

Ray: No. I think I-- next time I see Hiten, I need to just give him a giant awkward hug.

Ray: That's an amazing story and a good friend to do that.

Nathan: Totally.

Ray: What do you see as some of the challenges for email marketers today? It seems like a lot of people feel like it's harder than it ever has been to get their email delivered, to get their email read, what's your take on all that?

Nathan: Yes. I think it's definitely getting a bit more crowded, especially if people are trying the same things and using a lot of the same tactics. I think it is definitely more crowded. You see across a lot of different providers that it is harder to hit the inbox. I ran into something-- I spoke at an event maybe two or three weeks ago, and it was kind of like a small mastermind event. Since there were only 20, 25 people there, I ran through all of their sites before hand, and I noticed something like that every single person who used AWeber, their confirmation opt in, or like the double opt in email, went to the spam folder.

I was like-- and it was just across the board. Out of the seven people using AWeber, every single one went to spam. You see stuff like that of some of these legacy providers are having a harder and harder time keeping their emails in the inbox. So then you're having to fight against that in order to even get your-- like you pour your heart and soul into what you're saying in your email, and then it doesn't even get delivered. That's definitely harder.

There's also this mix of you see these trends of people saying, "Oh," Well, like perfect example would be someone using like a complex marketing automation tool and maybe they're putting it on their 27 inch monitor and zooming way out and taking the screen shot, and then posting on Facebook and kind of posting in their mastermind group or something like that on Facebook, and being like, "Look at this amazing funnel that I created." It's turned into a little bit of people almost celebrating



more the complexity and the nuance to this funnel they've created, and focusing less and less on the actual value that they deliver to the subscriber.

We're trying to fight against that. I'm like, "Hey, I'd rather you send five really great automated emails that are just kind of a straight forward sequence, than spend like all of your time dreaming of this amazing funnel that lasts for six months long and has all this brilliance in it." Especially because I think there's a lot of new people coming in who get super intimidated because they're like, "Oh, man, I have to have a funnel on that level in order to do this on my business link." It's just simply not true.

Ray: Yes, it's easy for people to get hyped up and buy into an expensive system. And then when they get the keys, the username and the password, they sit down and they realize, "I have no idea how to even send an email, or how to set up a sequence that's automated." Talk about what differences did you create in ConvertKit that-- because everybody raves about how easy it is to use. What did you do that makes it easier for people to use who've never used stuff like this before?

Nathan: Yes, I think the first thing is we designed it around the actual work flows that you would use as a blogger or as a content creator. For example, you wouldn't do things like-- well, I'll give this specific example. If you export all of your contacts from Infusionsoft, there's a field that's in there by default of spouse's name. If you think about it, like for everyone on my email list, I kind of don't really care what their spouse's name is. So, you like wonder why that would be in there.

Really, it's because Infusionsoft is more designed for as like the CRM side of it. Of, "Hey, I'm trying to get you to buy something and I'm willing to pick a--" maybe the sale value is high, and I'm saying, "I'm willing to pick up the phone." I'm saying, "Follow-up emails." And then I might say-- I might drop your spouse's name into something because I want to make sure that she's doing great. I'm trying to build this personal connection as like an enterprise salesperson would.

That's when you realize that these tools aren't built, they're not really built for the blogger or the content creator who's like, "Hey, I want to reach 20,000 people." They're more built for the salesperson who wants to close like 15 deals a year, because each deal is worth 50 grand or something like that. So, just by saying, "We're not for those people," and then we could cut out a whole ton of features and go straight to, "Hey, this is how you grow your audience. This is how you send emails to them. This is how you set up simple automation," that went a long way.

It certainly doesn't help that I came into this having written a couple of books on user experience and software demand, and that being my whole world rather than, I guess, my background being as a marketer or as a sales person.

Ray: Well, I think it has served you well. For somebody who's just going to sit down and they want to add or start building an email list, because I get this question a lot from people who just say, "I don't even know how to start." Kind of describe the ramp



up, the start up process for somebody who signs on with ConvertKit, they've got a blog. How long is it going to take them to get started and start building a list?

Nathan: Yes, the very first thing to do would be you got to put an opt in form on your site. So, one thing, we want to make sure that you didn't have to go use some third party plug in to do a simple pop up or have an opt in form on your sidebar. So, you can put that in there and it's going to be a lot better if you do something where you're giving away a particular-- a free guide, a special episode of your podcast, an email course, something like that that incentivizes people to actually opt in.

Because they're getting more than just like, "Oh, yeah. I send some stuff out to my newsletter, it will be great. Just sign up. You have no idea what my newsletter is about, just sign up." First, that's pretty easy. That first step would be getting that form on your site and making it so it gives away an opt in incentive. And then after that, the next step that we have people do would be to take their favorite blog posts, like a blog post that you wrote in 2013 that you're really proud of, but no one who has ever come to your site since then has seen.

Take that, remove the date specific things and put that into your email sequence so that every person who subscribes to your site is going to see those best posts. So, you're having to craft like, "Oh, how do I make the most amazing autoresponder?" at your sequence. Instead, you're just like, "What are my five favorite posts that I've ever written that I think every subscriber should read before they understand like who I am or what I'm about?" And so, you put those in a sequence. And then after that, the next step is, "Okay, what product do I have?"

If I have an e-book already, let's get that so that we're promoting it and pushing it out there into another sequence that's like, "Hey, if you enjoyed this, you should check out this book." We have a whole actual pitch sequence around that. Then the next step would be depending on who you're selling that through. So, if it's sold through Gumroad or SamCart or any of these tools, integrate that so that when someone buys through these tools, they're getting tagged in ConvertKit or in your email tool as having made that purchase.

And then you go back in your sequences and you just say, "Hey, anyone who's purchased this product, exclude them from the pitch." And that's just a couple of clicks. So, if you do those things, you're pretty well set up with a great email sequence that's going to be making you money over time, and not like aggressively pitching, because people will always start getting the pitch once they've been on the list for a little while.

Ray: Yes. Talk a little bit about tagging and segmenting. How important are those things? Should everybody be doing that?

Nathan: Yes, I think they're pretty critical. That's a big reason why I think everyone needs to upgrade off of like the MailChimp, AWeber, GetResponse kind of category of email tools, and you got to move into something like a ConvertKit or an



Infusionsoft or ActiveCampaign, but one of these more advanced tools that actually has tagging. Because I tag people based on all kinds of stuff. For every product that I have, I like to have at least three tags, and I have one tag that's just-- this is the naming format that I use for it.

I have interest, or interested, colon, and then the product name. So, interested: *Authority*, because I have a book called *Authority*. And then I have another one of Pitched: *Authority*. So, I'm keeping track of who's interested in this product. Did they click on the sales page? Did they click on an email sequence or something like that that makes me think, "Okay, they're interested"? And then next, I'm keeping track of, have I pitched them this product before? So, somewhere in that email sequence is pitching them to buy. I'm going to tag them as, "Yes, we pitched them on it."

And then I'll have a last one of purchased. As soon as they actually make that purchase, I'll add that tag to their subscriber profile and then make sure they get excluded from any funnels or anything like that that we asked them to buy. Because the thing that I find is a lot of people pitch in a really timid way. They're like, "Hey, you should buy this, I think. I think it might really help you. Unless you've already bought it, then sorry for wasting your time. But if you haven't bought it yet, you should definitely go pick it up. It's good, I think."

You spent a little bit of time in copywriting, so you probably know that that's not the most compelling way to sell something.

Ray: No, not at all.

Nathan: So, a lot of that timidness in copywriting comes from not actually knowing if you're pitching the right person. Because you're like, "Oh, shoot, someone may have joined my list two days ago and I'm pitching them to buy this product and there's no trust. They're like, "Oh, no, I've got to do so much explaining." And they're like, "What if I'm pitching someone who's already bought it? I'm going to upset them or offend them or something worse." So, you have this whole spectrum and they're trying to solve for that in their copy.

It's so much easier if you just solve for that in you're segmenting and you're like, "Look, I'm not going to pitch anyone who hasn't at least been around my stuff for a month and got in my training." I know for sure that I'm not going to pitch anyone who's already purchased. So, now, I can say, "Look, I know you're really interested. I know this product is going to help you. Here's exactly why you should buy it." You can pitch with confidence, write some epic copy, and drive a lot more sales.

That really comes down to the power of tagging and segmenting. Without that, I feel like you're going to ram on your sales copy and you're going to be way too soft and it's going to cost you heavily.

Ray: Yes. It makes all the difference in the world when you know exactly who you're talking to, because now you can have a very specific conversation.



Nathan: One of my favorite examples of this is from Pat's email list. What he does, if you were to dive through one of his income reports, you'd see that Bluehost makes up a sizable chunk. I don't know what it is \$35, \$40,000 a month. Of him telling people, "Hey, if you need to set up a blog, here's how to do it. Here's how to do it through Bluehost," and he makes an affiliate commission from that. But if you think about who his audience is, he's got absolute beginners who are like, "I just want to learn how to get started online."

But then also, I listen to his podcast and I know a ton of other really experienced people who are on his list listening to his podcast. And so, he's telling them like, "Here's how to set up a WordPress site." And it's like, "Uh, thanks, Pat, but I think I've got it. My business does 20 grand a month. Pretty sure I don't need the Bluehost referral." So, what he does is in one of his first emails he says, "Hey, so that I can make sure I get the right content to you, let me know where you're at on your business."

The first one is like, "I'm just getting started and not making revenue yet. Second one is, "I'm stuck between zero and \$500 a month." The last one is, "I'm making over \$500 a month." So, the magic of that is everyone's like, "Oh, man, I feel like Pat is just sending out content that's just for me." Because the beginners are like, "Wow, he held my hand through this whole process." And the more advanced people are only getting the more advanced content, they're not getting pitched on how to set up a WordPress blog with Bluehost.

And they're just like, "Oh, I feel like Pat's pushing the limits of what people are doing in online marketing and branding and all these things." So, everyone's happy and they don't know that there is an entirely different experience for someone of a totally different skill level.

Ray: Nice. What is next for ConvertKit? What's in the future?

Nathan: World domination.

Ray: Okay.

Nathan: [laughs] It's probably the most succinct answer.

Ray: "Hey, Brain, what are we going to do tonight?" "Same thing as every night, Pinky. We're going to try to take over the world."

Nathan: That's right. We're kind of in this fortunate position that because we never raised venture capital or funding like a lot of startups do, we only actually answer to ourselves as a team and to our customers. There's no one who's like, "Hey, if you don't hit these growth numbers, we're going to fire you as CEO." There's no board saying that. Instead, we just focus on what we care about. For me, that's the product. I am a software designer at heart, and so earlier this year we said, "Okay, we're three and a half years into ConvertKit," at the time. Four and a half years now.



"If we were to start over from scratch, like complete blank slate, let's say ConvertKit disappeared and I had to build a new email marketing product today, what would I build?" So, we flew out one of our designers, one of my team. We flew out from Florida to Boise. We sat down for a week and said, "Okay, let's design the perfect email tool. And we ended up completely reimagining it from the ground up and built this amazing-- I'm just going to brag on it for a while because I love it so much [laughs]."

This amazing visual automations builder that like gets you that powerful functionality that people might be used to in an Infusionsoft or some of these other tools, but does it with the signature ConvertKit ease of use and speed and everything else. So, that's been a massive project. We released that to our customers I guess about a month ago, so in September. That's been really fun. Now we're just trying to keep pushing the limits there.

I guess like a core idea of ConvertKit is we're not going to invent new things of like something totally brand new, but we're going to take these advanced features and functionality that you have to be an expert to know how to use them and we're going to make them totally approachable and bring them at a price point that's affordable and doesn't have manual contracts and all that, and just make them easy to use for any blogger and content creator.

Another example of this would be, I think a big thing that's going to happen a lot more in online marketing is people are going to start as even personalizing their emails, now they're going to start personalizing their websites. If you've been on my email list, and I'm adding all these tags, I know what you've purchased, I know what you're interested in and I've been building up this profile over time. But like my WordPress bloggers doesn't know any of that, because up until very recently, everyone has been treating their email subscribers and their blog readers completely separately.

So, a trend over the next year is that you're going to see that get merged a lot closer together. Now, you've been able to do it if you wrote on your own code, but we just came up with a WordPress plugin this week that lets you say, just write the dropdown in WordPress, "Has someone visits this sales page, tag him as interested in ConvertKit." or, "Hey, if they have this particular tag in ConvertKit and they go visit my blog, here they read this post, let me change the content dynamically," and all stuff that you've been able to do on emails for a while. But now we're marrying those things together.

And instead of having to write a bunch of complex code it's just like, yes, of course, it's built right into our WordPress plugin. You can do things like, in Pat's example, if someone comes to his blog and they're tagged as a beginner and it's an advanced article, he could say, "Hey, if you're just getting started, you might want to watch this beginner guide first and then come back to this blog post." You can have that only show up for people who are tagged as beginners inside of ConvertKit.



Ray: That is amazing.

Nathan: Yes, and that's the kind of thing that we're going to keep doing, of like we certainly didn't invent that, lots of people have been doing it with complicated code and custom systems for a long time, but now we're just like, "Yes, of course, it should be built right into your WordPress plugin." You just drop in a short code and say, "Hey," if we have them tagged as being like a designer, a developer or whatever else, like, "Let's work out the testimonials on our sales page to be as relevant to them as possible."

Ray: You said, "We didn't invent it," which is guess is technically correct, but Apple didn't invent the Mp3 player either, but look where they got with just making it a good idea, a lot better, and easier to use. I think that is exciting, fantastic. I have one more question, because I know a lot of my listeners are people who have businesses that they're making money, they've got a list already, they've got an email service provider, but maybe they're thinking about switching, because I do get this question from time to time. How tough is it for somebody with an existing list in another system to move to ConvertKit?

Nathan: This was probably the biggest objection that we had growing ConvertKit. Because somewhere in there I was like, "Wait, beginners aren't the place to focus, let's build the tool for more advanced people." But then everyone's like, "You know, Nathan, I like you, I like what you're doing here, but it's too much work to switch, so I'm not going to do it."

Somewhere in there, kind of on a whim, because at the time we were making like \$2000 a month in revenue, I was like, "You know what? No amount of convincing, like nothing I can say is going to tell you, 'oh, it's not that much work to switch'. So, tell you what? I will do it for you for free. Give me the logins to your site and you mail it to my account and all that, I'll export and import all your subscribers. I'll swap out all your opt in forms and do all of these for you for free. You just pay the regular 200 bucks a month or 50 bucks a month depending on how many subscribers you have for ConvertKit."

What happened was people were like, "Uh, okay." That was taking away the last giant objection that they had, and so we call those consumer's migrations. I did a ton of them myself in the early days. And that's kind of how we've built the whole business. Now we have a consumer's migrations team with three people and we switch dozens of people over every single week, doing it all for them for free. So, in a roundabout way to answer your question, it's definitely work, but we do as much of that work as possible for you for free. So, yes, come switch.

Ray: I can't think of a better answer than that. Well, cool. Nathan, I want to just thank you for being willing to come on the show and just talk. When I first met you, one of the things I walked away with super impressed by was even though you're a very successful entrepreneur, you talked about some numbers earlier that I'm sure were mind blowing for a lot of people. They were kind of mind blowing for me. You're one



of the most-- I mean, you'd never know that you run a company that big. You're very humble, you're very friendly, very approachable, and I just appreciate you taking the time to be here.

Nathan: Yes. Well, thanks for having me. If anyone ever has questions or wants to reach out talk email marketing, my email is just nathan@convertkit.com. I've gotten pretty good at maintaining inbox zero and replying to everything. So, come on, hang out. We'll chat.

Ray: There you go. I think I'm sold on using ConvertKit for the coffee shop now.

Sean: Boom. All right. Well, if you've found the show helpful, please leave a review and a rating in the iTunes and Apple podcast place, wherever you can do those sorts of things. It's always helpful, thank you. And if you'd like show notes and the transcript, please go to rayedwards.com/308 and you can find them there. Do you have a quote-worthy note?

Ray: Yes. This comes from Ann Handley. Good content isn't about good storytelling, it's about telling a true story well. Until next week, I pray that you are healthy in all ways and you prosper in all things even as your soul prospers. Peace to your house and to business.

Voice-over: Thank you for listening to the *Ray Edwards Show*.

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[unintelligible 00:52:14] we bring you a message of prosperity with purpose and freedom. Remembering the true freedom is available to all through Jesus Christ.

[00:52:29] [END OF AUDIO]