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- Tom: The world is changing. Nobody wants to be sold anymore. We're all using the internet to find answers.
- Male Speaker: Welcome to Marketing in the Know, the premier podcast to help you leap ahead of the marketing curve so you can grow your business. Now get ready, set, and grow with your host and tour guide through the marketing jungle, Buckley Barlow.
- Buckley: Hello insiders and welcome to Marketing in the Know, a podcast that helps you leap ahead of the marketing curve so you can grow your business. And today I am excited to chat with an ecommerce entrepreneur and consultant who is no stranger to inbound marketing. He's the leader of the ecommerce HubSpot user group on LinkedIn, he's been a featured guest on TV, radio, podcasts, webinars, you name it. He's the founder, the chief principal consultant behind tmschwab.com and lastly, if you want to meet him in person, he'll be speaking at the upcoming Inbound 2015 Conference in Boston later this summer, Tom Schwab. And I love that last name, by the way. It's a pleasure having you on Marketing in the Know today. Thanks for coming on.
- Tom: Thank you, Buckley. I'm so happy and thrilled to be here.
- Buckley: Well, great. Well, Tom is from Kalamazoo, Michigan and as we talked before the show my wife is from Traverse City. It's amazing up there.
- Tom: Oh, and I love this small world. You know, they used to talk about six degrees of separation and now I really think it's two or three. And that not only means two or three with friends and friends of friends, but also with customers. And I think that's what I'm most excited about with marketing and business in general is how close we can get to our ideal customers.
- Buckley: Oh, yeah, I mean, from the cherry festivals up there in July to the sand dunes and you and I can talk about that. I love Michigan. It's a pretty incredible place. And the fact that we actually now are virtual acquaintances and friends, I love that as well. So, Tom, are you ready to do this?
- Tom: I am. Let's rock. I'm over caffeinated.
- Buckley: All right. Perfect. Caffeine and all. So before we dive in, would you mind first telling us a little bit about you, how you came to arrive at what you do today, that would be great.
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Tom: Sure. So it's a long story, but the short version is that I'm an engineer by trade. My first job out of college was running nuclear power plants. When I got out of the service and moved to Michigan I started as an engineer but then moved into sales and marketing and was with a Fortune 500 company. And one of the things that always amazed me, coming from the nuclear power field, was that so much of marketing and sales, they didn't know what worked and what didn't work, you know? The joke was that in marketing 50 percent of the money you spend is wasted; you just never know what 50 percent it is.

And so we were doing wonderful things here in Michigan. We were selling orthopedic implants, the artificial knees, hips, shoulders, all of that to the hospitals and the doctors. And then as Michigan led the nation into the Great Recession, the manufacturers looked and said that they wanted to cut out the middle men. And that's always a great idea until you look in the mirror and you realize, "Hey, that middle man looks like me."

Buckley: I don't like that.

Tom: Yeah, so we took the opportunity to sell back the distributorship and we had a sideline business and really it came out of what our customers were asking for.

The doctors were saying, "Hey, can you find a way to keep my patients from tearing up my good work, from walking on their foot after surgery or injury? You know, so many people couldn't use crutches, can you find a better way?" And now it's more common to see those knee scooters around, but five or six years ago that was pretty new. And there were some other alternatives that we brought out there. So we looked at it and at that time it was just a regional business that we did in Michigan. And most of the **[inaudible]** were rented and about half of them would come back with thank-you notes. So we looked at that and said, "Wow, we're really making a difference in people's lives here."

And that's always the first key factor that you've got a good business is that customers appreciate it, but how can we take this from a regional brick and mortar type situation and ramp this up into a global, or at least a national, business? I think it was Winston Churchill said that, "Americans will always do the right thing after they've tried everything else." So that must make be a true-blooded – red-blooded American because we really started to build that business on pay per click, on AdWords, on SEO. We did it very successfully, you know? I could invest \$1.00 and get \$5.00

back.

But one of the things I looked at was that it was always costing a little bit more and I was chasing the transaction. And I could lie to myself and say I was growing my business, but in reality, when I stopped spending that money, my business would evaporate.

Buckley: Oh, yeah, yep.

Tom: And I call it my addiction phase because if anybody's ever been in a competitive market like that with AdWords or whatever else you're trying to buy, Facebook ads, they start out cheap and then every day they get a little bit more expensive. And to grow your business you're gonna have to spend a little bit more and more. I considered it like my daily fix. I'd buy some traffic, get some sales. And about that time I read a book called *Inbound Marketing* by two smart guys at MIT. And they made a lot of sense. They said the world is changing. Nobody wants to be sold anymore. We're all using the internet to find answers. And nobody likes to be sold but we all like to buy things that solve our problems.

Buckley: That's right and we love to do it on our own terms.

Tom: Exactly. So who's gonna win the long term? The person that helps you buy. So when you go online and start searching for answers, that person that has the content and that could be a blog, an infographic, a podcast like this, that person that helps you is gonna build trust, build thought leadership and they're gonna build authority. And throughout time people have always dealt with people they know, like, and trust.

So the winners long term weren't gonna be who could buy the Super Bowl commercial, it was gonna be who could connect that customer and help them to go from being a visitor to a lead to a customer to an advocate. And so we looked at this and said, "This is really amazing." So we talked to the company that the two authors were running at the time and at that time nobody was really trying it for ecommerce.

Buckley: When was this? What year?

Tom: This was about 2010.

Buckley: Okay, about 2010. So prior to that, were you an employee at that time or were you doing consulting?

Tom: I was just running our ecommerce company. So about 2008, 2009 we focused on this completely, the Goodbye Crutches brand. So we hacked the whole idea of inbound marketing together, about three or four months just to prove the concept worked.

Buckley: There's a lot of people that still don't know what that term means, and believe it or not. I mean, us marketers we understand it, but can you explain what inbound marketing is?

Tom: Yeah, and I think a lot of people have different definitions of it. So let me give you my definition by defining what it's not. Outbound marketing is what we traditionally think of and what we hate, right? So, it's that advertisement that interrupts your favorite television show. It's the ad that interrupts your favorite radio station. It's that ugly billboard that interrupts you every time you go to work. And it can even be direct mail, it can be emails. It's basically this focus of, Buckley, I have something to sell you. It's all about what I am trying to sell to you.

Buckley: Yeah, interruption marketing, yep. That's outbound marketing.

Tom: And it looks at everybody as a sales funnel. All I've gotta do is push you through my sales funnel. Now, inbound marketing is just the flipside of that coin. It says – it looks at this and says it's permission based marketing. Buckley, I know you've got a need or a question and you're gonna start looking for it. Well, I'm gonna make sure that I'm the person that you find. So if you got a question, I'll have a blog that'll answer that. If you've got other questions, maybe I'll be on a podcast and you'll connect with me there. So from the standpoint of that you're using content to fuel the relationship to get people to know, like, and trust you.

And you build up that thought leadership, the authority, and that you use that content to draw them in, then you engage them in some way by offering them a free offer, a download, a checklist, something like that so that you can get an email address and start that nurturing. And then starting to send them helpful emails, try to build that relationship so that you can educate them and help them through the buyer's funnel, right? So that you can help them solve their problem. And at the end, if they solve their problem with your product, they'll show their appreciation with money. So that's the whole idea behind inbound marketing. It's like how many visitors can I help solve their problems become customers?

Buckley: For this particular strategy, this is how you grew your ecommerce business from this regional player to a nationwide leader in under

three years. And you had no marketing department, right?

Tom: No, no marketing department, no sales department. We just had a lot of potential customers with a lot of questions. And a lot of times the questions weren't right around our product. You know, one customer told me something that was so true and I've always remembered it. He said, "Your company is just like Preparation H." I had to pause and I'm like, "Okay."

Buckley: Yeah, I'm not sure that's a compliment or what.

Tom: You know, Buckley, it was the best compliment I ever had. And it's really what we should all strive for. Because nobody really wants our product or service. Think about it. If you have to get somebody's product or service, you've got a need, a desire, or a want. So if you focus not on your product, you know – nobody wants to buy Preparation H. If they do they've got a problem. So how can you go ahead and help them so that you can give them fast relief, have it recommended by other people, so that they can get on with their life? And that's really the focus.

And when you talk about content, especially on ecommerce or when we're ever selling anything, you don't focus on the specifications, you know, all the facts. Because facts tell, but stories sell. So really what you wanna do is in all of your content, tell the inspirational stories like you're doing right here on the podcast. You're inviting people on to tell stories that will go ahead and teach things.

Buckley: Tell me some of the specific tactics and tools that you were using other than the blogging and the content that you were producing. How did you know that it was working? How did you measure it? How did you perfect it?

Tom: Right. And that's the thing that I love is that modern marketing you can measure everything. The customers will tell you what they love and what they loathe. So when we first started out and tested it, we did it with a free WordPress blog. So if we put blogs up there that answered people's questions and we got a lot of traffic to it, we thought, "Wow. This is more organic traffic quickly than we've ever gotten before."

Buckley: Yeah, and everybody wants organic traffic and this is the best way to do it.

Tom: Oh, exactly. And it converted so much better. So we looked at that

and said, “Okay, there’s a thirst for this content out there.” Then we went ahead and tried the idea of, well, could we offer free guides, buyers’ guides, you know, The Motivated Mom’s Manual to Doing Everything on One Foot. So we started to put those call to actions at the bottom of the blogs and you know what? People would gladly give you their email address in order to get that information. So we’re like, “Okay, this call to actions work.”

And then we started using, at that time it was just MailChimp. I think it was probably the \$20.00 version of MailChimp each month. Can we go ahead and nurture these people and send them helpful emails and different tips in order to introduce them to other products and solutions that could help? And of all of those things we just looked at the analytics on it.

You know, we were getting more visitors. Those visitors were engaged to buy what they were clicking and asking for. That the emails that we sent had a high open rate, they had a high click through rate. And that ultimately so many of our customers that were coming through that channel, were converting to be better customers, buying more, really happier customers than we were getting when somebody just clicked on a picture and a price on AdWords and tried to buy the product that way.

Buckley: Before we started recording, we were talking about ecommerce and how you view ecommerce maybe slightly differently than everybody else. How do you lead the group on LinkedIn for this ecommerce HubSpot user group that you have? And why did you set it up? Why did you do it? And what are you hearing in that group?

Tom: Well, the biggest thing was, is getting everybody’s ideas together. One of my favorite authors, Derek Sivers said, “What’s ordinary to you is amazing to me.” And we can all learn from different things. And I look at ecommerce as much, much, bigger than eBay and Amazon, right? Ecommerce is anybody that’s trying to use their website in order to monetize their business.

So we work with people that are coaches that are trying to get new coaching clients, that are trying to take digital products and sell them online to other people. We work with authors that are trying to turn their content into cash because they’re not making money selling books on Amazon anymore, so how can you go ahead and get those readers and bring them back and engage them? We’re working with nonprofits that are trying to get donations and engagement from their website. And then we’re necessarily

working with ecommerce sites that are either selling a product, and that could be a physical product that gets shipped, or even a digital product that gets delivered.

And so with all of this, we come together and share ideas. And it's amazing that the ecommerce space is so big that you can share ideas. You know, there's not a lot of direct competitors. I can think of one discussion we had, it was on any page where you're asking for information or credit card. We were talking to somebody that was in the group that used to work at a bank and they talked about how important it was for the page to look just like every other page on your website because in the banking world they found that if you send somebody to a landing page that looks different, they're first thought is, "Oh, this is a scam. They're phishing." And so the bounce rate is just through the roof.

And we did some testing with that on ecommerce and proved the same thing. That you can have the most beautiful landing page, but if it's not consistent with the site they just came from, people will bounce.

Buckley: I think a lot of people use the word, at least marketers, use the word integrated today and coordinated and immersive. I know that when I go through the process of buying something online I don't want any kind of hiccup. I don't want different graphics, I don't want different messages, I want to feel like it's an immersive experience from start to end. My buyer journey has to be exceptional.

Tom: And if we would talk to our great grandparents on what we were doing right now, Buckley, they would scratch their head and look at us like we were crazy, right? So you go online and buy something from somebody you've never met and you give them money with the promise that they're gonna send it to you. Ecommerce is all built on trust and if you're not getting customers, the reason probably, most likely, is that people don't trust you. And so you need to do everything in your marketing and in your experience in order to increase that level of trust.

Buckley: That's great, Tom. Now I'm gonna shift gears for a little bit. I'd love for you to share how you've been using audio content to drive growth for you and your clients. I think that this is a really cool case study. Love to know what conversion increases you've seen. I think this is great and a lot of people are starting to echo this strategy. So how have you been doing it? What kind of results have you been seeing?

Tom: Sure. You know, content is king. Content is the fuel that drives our online sales and marketing engine. And content can be blogs, it can be anything, it can be audio. And five years ago I talked about when we put up blogs people would read them because, especially in the ecommerce field, in the business to consumer field, there wasn't as much content out there. Now it's become very saturated and your conversion rate from a blog, somebody reading it or visiting the page to becoming a lead, if you've got a great conversion rate you're talking probably one to two percent.

So for every 100 people that read your blog, one or two will fill out the offer so that you can actually consider them a lead. And so we looked at that and we had some clients that had great stories to tell and as they told it in a blog, it was okay, but for them it was also hard to write a blog. You know, they could go ahead and talk for a half hour and tell you their story and you'd be mesmerized, but if they spent four hours writing the same story, you'd probably skim over it.

Buckley: Or you'd be in tears.

Tom: Exactly. We looked at that and said, "Okay, podcast is emerging. By 2016 you're gonna be able to download podcasts right in your car. So how can we use this?" Well, anybody that tells you that podcasts are easy to do has either never done a podcast or never done one well.

Buckley: Oh, boy. Oh, yeah, a lot of work. A lot of time, money, sweat, blood, tears, you name it.

Tom: So how can we use this medium without all the work? One of the things we looked at is that podcast is different than other media, right? So radio and television is all advertised space. If you wanna be on there you've gotta buy an ad. Podcasting is all content based. So, Buckley, you're looking for great stories to share with the insiders and so with that there's great power in being a podcast guest. So can you go ahead and find out who your ideal dream customer is, what podcasts they listen to, and then go on there and share your story, give some engaging calls to action on there, drive them back to your site to learn more, and then start to nurture them from there.

It's just a different way of using content. And what we found early on was that we were getting conversion rates of 25 to 50 percent. And at first we thought, well, maybe that's just because one or two

clients. And the more we did this, the more we could see that no, those are the true conversion rates that you can expect from audio.

Buckley: What kind of conversion are you looking at? A specific call to action driven to a landing page? How are you doing it?

Tom: So being on a podcast here and saying, “If you want more information on what we’ve been talking about, here’s what you need to do. Just go to tmschwab.com/intheknow and we’ve got a landing page set up right there for you. Everything Buckley and I talked about is right there. You can download that, you can access that at any time.” So if they listen to this the first week it launches or three years after they still go to that same page.

Buckley: I love this Tom. I mean, and for the insiders out there listening to Tom, literally in the trenches doing this, I think this is great because he’s not relying on me to produce the podcast notes. He’s not relying on me to actually have a landing page. He’s actually taking charge, he’s creating a landing page on his own, he’s creating the show notes. And those show notes are important because for the people that love to listen, they may also wanna come back and read as well. We’re always trying to deliver content for every sense.

Tom: And there’s some people that are listening right now and they’ll say, “This guy sounds like a lunatic.” You know? And they will not come to my site and that’s fine. You don’t have to attract everyone.

Buckley: No, but the people that really resonate with you, these are the people that you want in the first place.

Tom: Exactly. Everybody talks about the vanity metrics of how many visitors they have come to their site. So how many leads they have that come to their sites. The only vanity metric that really counts is how many customers you thrill. And you know that because how much money you have in the bank because they’ve shown you. So with that, going ahead and talking to a large audience like this. You know, your audience is my dream customers, my ideal buyer persona. So if they find something that is interesting to them they come to the site.

At that rate, most of the time, we’re anywhere from one to four to one in two will give us an email address in order to get something to start that conversation. And with that it’s a much better qualified customer because they’ve already listened to me for a

half hour. They know what our business is about, what our philosophy is about. We either have connected or repelled them with that content.

Buckley: Now, I imagine being in the trenches that we just talked about, you've had your fair share of experimenting with various channels, tools and so forth, strategy, tactics, you name it. What's going on out there that's not working for you and your clients that you just say, "We've had our fair share of experimenting with this, but it's just not working."

Tom: I hate to say it, but I think blogs are getting very saturated. I think AdWords is getting so competitive that the cost of customer acquisition for most people is just too high. If you've got a lifetime value of a customer that you can afford to take a loss leader on that customer and make it up in subsequent purchases, okay, maybe AdWords still makes sense. But for most ecommerce they can't afford that anymore.

And one of the things I always look at is everything runs its cycle, right? So what worked three, five years ago everybody knows about it now and it may not work now. So often when you hear about something that worked five years ago, that's like me telling you what the shortest line at the grocery store yesterday was.

Buckley: Exactly.

Tom: It's very interesting but it doesn't help me today. So always looking and saying, what's the next thing that I can use to better serve and communicate with my ideal customers? And really, trying to figure out what the strategy is first. You know, your strategy is, okay, here's the kind of customer that I want to serve. Now how can I connect with them? How can I communicate with them? All of that. That strategy is never gonna change. You know, inbound marketing as a strategy is the same thing our great grandparents used to build their business, you know, attract customers, engage with them, nurture them.

And so that strategy isn't gonna change just what you always want to look at is, what tools out there can allow me to leverage this to do this even better? Not replace me, but leverage me to do it better.

Buckley: That's great. Now, Tom, if you were to hire someone today in your growth or marketing department and you were gonna start growing tmschwab.com, what would you be looking for and why?

Tom: I would look at somebody that was a voracious learner because if they have a desire to learn, that's gonna make all the difference in the world. And today there's no excuse for ignorance. All the information is out there if you wanna go out there and learn it. So I'd look for somebody that was a life-long learner and then also that had the same kind of passion with the same kind of customers that I do.

I always say that the only line my grandfather ever told me was he said, "Be careful who you drink with because you can't always choose who you work with." And that's no longer true. The world's a big enough place that we can choose what customers we have, what people we work with, so I wanna make sure that there's somebody that is a voracious learner and then also has the same passion for the same customers that I do.

Buckley: Boy, that's great. We share a lot of the same messaging and I love that because for me I don't hesitate reaching down to the pocket for my education, my personal growth and my professional growth as well as paying for consultants like yourself, which is why I love doing this podcast because I get to talk with amazing people like you and get these kind of tips and insights. I love it. I'm gonna ask you one last question, Tom. What is the best growth or marketing tip or piece of advice you've ever received? You've read or you've come across that you could give to our insiders.

Tom: It would have to be that the only expert in your business is the customer. I as a consultant, you as a business owner, we've got opinions. The customer is the only one that's voting with their dollars and that means everybody else has a worthless opinion. With that they're telling you in their analytics, they're telling you what they love and what they loathe. So as business owners, we just have to be smart enough to understand what they're telling us and to stop doing the things that they hate and to start doubling down on the things they love.

Buckley: Well, Tom, I wish you sincerely the best in your career and what you're doing. I think it's fantastic. I also wish you the best at Inbound. I will try to make it there, my friend. And with this crazy digital marketing jungle let's stay in touch and share some best practices back and forth, would love to connect over LinkedIn. So I appreciate that, Tom. Thanks so much for coming in.

Tom: Thank you, Buckley. And if you're ever in Kalamazoo, Michigan look me up and if anybody wants to get in touch with me I'm on

LinkedIn. I love that platform. And then you can come back to my website also, tmschwab.com/intheknow and I'll have all the notes that we talked about here and also all of the video course on how to use being a podcast guest to grow your business.

Buckley:

Well, awesome, Tom. That's great info. And you're right. No one wants to be sold anymore. That stuck out more to me than anything else. But thanks for coming on, even though you kind of stole my thunder on your call to action there. But again, if you wanna know more about Tom and what he can do to help you grow your business; visit him at tmschwab.com/intheknow. Tmschwab.com/intheknow for the show notes.

Well, insiders, that's a wrap. Thank you for joining Tom and me on Marketing in the Know today. We have just launched this podcast. I really hope that it is adding value to you. I'm gonna ask you to take a minute of your time to review and subscribe. Give me some feedback and remember if there's someone out there that you would like to hear from or a topic that you would like covered, all you have to do is reach out and let me know and I will do my best to make it happen. So thanks again and I will see you next Tuesday.

Male Speaker:

We appreciate you joining us for this episode of Marketing in the Know. For show notes and a free version of ready, set, grow, visit beintheknow.co. Thanks again and we'll see you next Tuesday here on Marketing in the Know.

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