

Jeremy Blossom:

Hello everyone, and welcome to the Secrets of Marketers Podcast. The only podcast you can rely on to give you real, raw, unfiltered marketing advice covering the latest tips, tricks and tools that millionaire marketers use to make money online. I am your host, Jeremy Blossom, sit back, relax, and let's start discovering the true secrets of marketers.

Jeremy Blossom:

Hello everyone and welcome to another episode of the Secrets of Marketers Podcast. This is your host, Jeremy Blossom. And today, I have a very special guest for you. His name is Allen Burt. He is the CEO of [bluestout.com](#). And we are going to be jumping into the wild, wild world of eCommerce marketing. I know a lot of my listeners are big eCommerce folks, they're curious on starting eCommerce and they have a big business in eCommerce. So, this episode is going to be for you. But I always like to turn it over to our guests and have them introduce themselves. So Allen, say hello and maybe fill in some of the gaps.

Allen Burt:

Yeah, sure. Hey guys, my name is Allen Burt. I am the CEO and founder of an agency called Blue Stout, it's [bluestout.com](#). We work with eCommerce businesses, mainly physical products, brand owners that are selling majority of their sales through online channels. We are a Shopify Plus agency, a Klaviyo email marketing agency. And what we help brands do is scale without paid ads. So what we do is we go in and help you optimize your store, build your store to improve conversion rates, average order values, and also increase your overall revenue from email.

Jeremy Blossom:

Great, succinct. It's like you've done this before, like you may have a podcast.

Allen Burt:

Maybe a little bit.

Jeremy Blossom:

What's the name of your podcast, Allen? You were telling me about it before.

Allen Burt:

So we run a podcast called of The Commerce Lab. It's a podcast, we do a weekly newsletter. And if you just go to the [thecommercelab.com](#), you can sign up. And the whole goal of the podcast of The Commerce Lab is to help brand operators stay ahead of the curve. So what we do is we go out and we find brands that are succeeding in very specific areas of business. Maybe it's in ads, maybe it's email marketing, maybe it's in operations. We look at big brands, brands you have heard of before like Bonobos or MeUndies, Bombas Socks. And we talk to their CEOs or their folks that are actually in the operations and we talk about what they've been successful at. And we break that down into components so that you can take it, send it to your team members, or just implement it yourself.

Allen Burt:

So the idea is we deconstruct these really successful tactics of these brands and we do it in a way that you can go and implement it into your own business.

Jeremy Blossom:

I think after this episode, you're going to have a spike in new downloads because you've got a great background in this, and you have a lot of skills that I think people who listen to my podcast are really going to want to know more about. So, go and check out his podcast everyone.

Jeremy Blossom:

My first question for you, Allen, just to kind of set the stage for today's episode is, what do you see the stage looking like? What do you see the environment looking like right now for eCommerce brands? And you specialize more into like the five to 25 million a year range. So maybe you can start there. I know it's a broad question but I think this would be really good for everyone to hear what you think is going on and some of the things you're excited about.

Allen Burt:

Yeah. It's a very broad question and there's a lot of ways we can take this. But I think also specifically, if you look at that, our range is sort of five to 25, five to 50 million dollar range, clients that we work with, brands that we work with. And for those types of brands, there's a lot of things happening right now. If you're listening to this, we're sort of in the midst of this Coronavirus sort of pandemic. A lot of brands are freaking out over things like supply chain.

Allen Burt:

So right now, I think what's on top of everybody's mind is, especially if you're operating a physical products brand is, what does my supply chain look like? Most of these brands are operating or manufacturing at least a portion of their products out of China. So we're seeing a lot of strain in supply chain coming out of China. And brands looking to expand or try to diversify where their manufacturing is happening, whether it be in the US or Mexico, we're seeing a lot of movement down to Mexico.

Allen Burt:

So right now, I put that as sort of like the number one most immediate concern is supply chain. But on a much broader level, and this is something that's been happening sort of over the last year, where we see the absolute most squeeze and pain is really coming out of customer acquisition. So, there was this heyday of Facebook ads and Instagram ads for the last five years, where a lot of brands were able to just explode in growth just by leveraging paid acquisition through channels like Facebook and Instagram.

Allen Burt:

But what we've seen over the last year specifically is that this channel has just gotten exponentially more expensive. Squeezing the profit margins that a lot of these brands are able to see. You look at some of the, sort of the recent S1 offerings coming out of brands like Casper. You've seen brands like Outdoor Voices start to struggle. You've seen your Brandless, is a big well-funded brand, go bankrupt. So you're seeing a lot of these brands that were leveraging really high, leveraging ads as a form of acquisition, see their customer acquisition costs go through the roof. And all of a sudden, they're kind of shit out of luck.

Allen Burt:

And so, the biggest issue right now is how do you start to diversify that traffic or how do you start to create more leverage on the back end so that you can actually create higher order volume, higher

customer lifetime values on those ads cost so you can actually start to balance out the equation a bit more.

Jeremy Blossom:

Yeah, the barrier to entry is going up dramatically. And so, a lot of people who've got really good ideas for products or services are now being squeezed out because they can't compete. So, the million dollar question and what you guys do best is, what are those tactics? I'm personally really curious to learn from you too on what are some of the things that you immediately try to implement with your brands that you're working with to overcome this?

Allen Burt:

Yeah. And again, it's a very broad question. We'll sort of break it down by component in the way that we think about it. So, at the end of the day, we like to think of, we like to work backwards. And what I mean by that is eCommerce is actually a pretty simple equation. The end of the day, it's your traffic in the door times your store's conversion rate times the average order value that your customers are purchasing with, the amount that they order every time they order. And then you factor in the amount of times that they come back and buy again.

Allen Burt:

So there's really only four variables that come into play when you're looking at what drives revenue to an eCommerce brand. What we see and what we've seen over the last few years is most brands focus on the first variable, is traffic. How much traffic can we drive by looking at ads, looking at Instagram, looking at SEO, looking at affiliate programs, looking at PR. How can we push more people in the door? But the reality is, you really need to be looking at that equation and work your way backwards.

Allen Burt:

And so the very first thing you should be looking at is customer lifetime value. How do we improve customer lifetime value for our existing traffic? And that's sort of where you start. And then the next step of the equation is okay, well, once we know that, we can get people to buy more from us, how do we actually get those first time visitors to convert higher. So you look at things like conversion rates. And then once you get your conversion rate dialed in, then you should actually go and look at traffic.

Allen Burt:

So, when we're looking at brands, the very first thing we look at is those numbers that drive customer lifetime value, which would be, how many times is the customer coming back and buying from you, what's the repeat purchase rate? And then what's the order value that they're buying from you with? Is it \$6, is it \$100, \$150, what's that order value? And then finally, we'll look at the overall store's conversion rate. And we'll determine how do you actually start to increase the store conversion for your different types of traffic sources.

Jeremy Blossom:

That's so good, Allen. I want everyone to hear this too. So I asked strategy, I'm trying to get into how are you approaching this. And so, for a lot of people, how well do you know your math? Can you tell us what the average lifetime value is of your customer for your eCommerce brand? I know that sounds like for us, we do this every single day, Allen, but for a lot of people listening, that's the number that they need

to go, you know what, I should probably go back and have my team work on this or we should really dial that in. And every stage of this customer acquisition process needs to be pinpointed back to a number. Having a quantitative approach is absolutely necessary to win. So, absolutely love that.

Jeremy Blossom:

So, when it comes down to some of your clients that you're working with right now, what are some of the biggest problems that you're seeing them through this process? I call it the fat, and I look at the customer acquisition or customer journey through a business. There are certain stages that people could definitely increase. Do you see that most businesses could immediately impact your business by increasing lifetime value? Do you see it where they could drive their customer acquisition costs down? Where do you see usually when you're working with your clients on where the areas that they could optimize the most at?

Allen Burt:

Yeah, so customer acquisition cost is usually the area that everybody's trying to optimize for, but it's the hardest. So we typically don't look there. Typically, the low hanging fruit comes in two forms. And its order value and then its conversion rate. And order value being I think probably the one that least people look at because they just sort of assume that this is what people are going to buy. And the reality is that there's so much out there that you can do to increase order value. We were talking to a coffee brand the other day, and these guys sell \$7 bags of coffee, yet their average order value was over \$60. And so, they were able to, on average, get into whatever the math is on that, eight to nine people to buy, sorry, they were able to get a single person on average to buy eight to nine bags of coffee like at a single purchase.

Allen Burt:

And so, the way that they're able to do that has a lot to do with how they present the offer as opposed to offering just sort of a single bag, everything's been presented in bundles, things like that. So we're looking at opportunities to drive customers in and increase that order value usually using three techniques. One is a bundle. So, in this example, sort of the coffee example, as opposed to saying, hey, come and buy one bag, we're offering them three, six or subscription programs for those offers, and then we're giving discounts or incentives for kind of working way up the chain.

Allen Burt:

So those will be bundled offers. The other way we're doing it is with very dynamic cross sells or upsells in the store experience. So, if you add a bag of coffee to your cart, the second you get to your cart, you're going to get a very dynamic offer that's going to offer you something else. Maybe it's a coffee toolkit or it's a pour over kit or whatever it may be, something that's going to be an associated product that's going to make total sense given what you have in your cart at that time. And then we're going to test those offers and figure out what's gonna drive AOV the best and cart.

Allen Burt:

And then one of the most successful ways that very, very few people do in the physical product space, we see this all the time in the digital space, but very few brands are doing this in the physical space, it's what we call post-purchase upsells. And so, this is where, let's say somebody comes in, they add one bag of coffee to their cart, they go through checkout, they put the credit card down, they click order, credit

card's being processed. And during that processing, you get an upsell offer. We already have your credit card information and we call these one click upsells.

Allen Burt:

And you say, okay, well as opposed to just getting one bag of coffee, how about sign up for our subscription program for 20% off. Or instead of one bag, get a second bag for 30% off. You've already made the purchase, you've already captured that first purchase. So there's no risk in losing that conversion, and you already have the credit card information so you can literally just have that customer click one extra button to add more product to their order. That's something that is done very, very little in the physical product space that we see being very successful for clients that we test with.

Jeremy Blossom:

Yeah, that's a really great strategy. Strikepoint is very much in the digital side in selling a lot of info products. And so, we call those bump offers. And so, you come in and you see something and you purchase it, but then you can just add this additional thing. And it's a crazy good value or crazy deal. And we see not only does it help but it actually, it drives that AOV. Two, a big thing that everyone listening here, our mission actually every single day is to help our customers attract and acquire their customers and then turn those customers into super customers.

Jeremy Blossom:

In our opinion, a super customer is someone who continues to buy from you. So Apple is one of the best at this. If you want to retain customers, people will spend a lot of money on branding to retain customers, spend a lot of money on their packaging, spend a lot of money on a lot of like I think more ego driven things, versus getting them to just buy more from you. So, getting them to buy more, buy more, buy more actually helps with retention and turns those customers into your super customers.

Jeremy Blossom:

Do you see, Allen, for you specifically, how early on are you thinking about these bundle offers and the cart strategy? Are you thinking this all the way through from the ad that the person is seeing? Is it like no, we really don't care how the traffic's coming in, we'll experiment after the traffic's there? Can you walk and maybe combine your traffic testing and the acquisition on the cart side?

Allen Burt:

100%. And it should at some point, usually in the very beginning, it's not as sophisticated and you're sort of running the same offers across all traffic. But you should very quickly then start to differentiate that, and have different types of offers or different types of landing pages for different types of traffic sources. So, a great example would be, traffic that's coming from Google Shopping or from Google CPC campaign. So these are folks that are out there searching for something specific.

Allen Burt:

So there's a very strong context to that product and you drive them to a product page. Maybe they're actually searching for a pain point, maybe they're searching, if we keep with the coffee example, they're searching for coffee, they land on a coffee product. That is going to have a much higher conversion rate given the context of the search query that that customer came in on, versus let's say something like Instagram or Facebook where somebody's just in their scroll in their feed scrolling through, and all of a

sudden they see this inspirational post about coffee or they see a lifestyle post about coffee, and they're inspired by it and click through. They had no intention, they were not searching for anything related to coffee, they just ended up on the store.

Allen Burt:

And so, the goal of what you should do with that person at that stage is very different. For somebody who's coming in from CBC, we're going to strongly push into a high AOV offer, something that might be a high bundled offer. For somebody who's coming in without that context that really just had no interest, wasn't searching for coffee but we've inspired them, it's going to be a much more light offer. It might be a product offering where we're maybe just offering them samples or we're getting them to just purchase a single bag, something that's a little less of a barrier.

Allen Burt:

A lot of cases what we're doing is actually not even focusing on product conversions, we're actually focusing on email acquisitions. So, if somebody is coming in, especially if it's a first time visitor, cold visitor, what we see typically across the board for brands is that conversion rates for a cold traffic source, something like a Facebook, somebody who's never had interaction with a brand before, that conversion rate is going to be well under 1%. Sometimes even under half a percent. As compared to like a 2% to 3% or 4% for another store that has warm traffic coming in.

Allen Burt:

So in that case, what we're really focusing on is how do we actually just get you to opt into the ecosystem or opt into some high value piece of content that's going to get you to stick around so we can nurture you through things like email campaigns or retargeting ads going forward. So, you should pretty quickly start to sophisticate, get more sophisticated with what you do with people that are coming to the store, very much dependent upon what that traffic source is.

Jeremy Blossom:

Yeah, I was just going to ask that actually, how important is lead generation in the eCommerce space and what's your advice for lead generation? So I'd love for you to, you started to talk about, let's dive into it.

Allen Burt:

You're asking about low hanging fruit. That's an area that we see get dramatically underutilized for most brands because again, most folks are, the general sentiment in the eCommerce space, in the physical product space, and you have to remember where these folks are coming from. Most brand owners aren't marketers. They didn't kind of grow up in the digital marketing space or cut their teeth in the digital marketing space. These are brand creators or inventors, they've created physical products. They're deep in operations manufacturing. And so, they've used sort of the world of eComm as okay, we drive traffic to the store and it converts or doesn't convert. They think of it as like this flat thing versus this very elongated customer journey that has to be optimized and played the long game with.

Allen Burt:

So, specifically, we see really underutilized, we see stores that are under-utilizing acquisition and email acquisition on the front end. And so, it's something that we see a lot of success with when we go in and

plug it in. And what you should be doing is you should be, first off, running email acquisition through, whether it's actual offers discount offers, whether it's exclusive offerings. Things like what you'd see in the digital product space like PDF downloads. That stuff all does actually still work really well in the eComm space, especially if it has high context. If you're in like, let's say it's the specialty food space and you're offering recipes and guides in a download, those convert incredibly well. And that lets you then put people into email nurture sequences, which overall, email should be about 25 to 35% of your total revenue if you're doing it correctly.

Allen Burt:

It's a really, really strong sales channel and should be your highest ROI sales channel of anything you do in eCommerce. But in order to do that, you have to get people into those lists and you have to get people into those flows and automations. And the best way to do that is through aggressive email acquisition on first visits.

Jeremy Blossom:

Yeah, amen. Absolutely. I just posted recently, it was kind of going back and forth with some people online about this topic on email and how important it is. And with the advent of social media, I feel like a lot of companies have really gone all in, which they should, social media channels can be a really great customer acquisition source for you. But it will never, like to your point, it will never ever, ever be able to compete with the ROI you get on email on your owned traffic source. And not to mention that all these Instagram, Facebook, these guys are going to be even going further with the shopping cart experience much like Amazon has, and going in that direction.

Jeremy Blossom:

It looks great and they're luring us all in with their content and it's a great place to share stuff, but man, we really have to be able to control the conversation and reach people when we want to reach them. And 25% say I would agree, that's a great number to make sure that your revenues coming from specific traffic source, especially from email. So, really good.

Jeremy Blossom:

For you, specifically, when you're looking at the email, let's transition to the email marketing side for a second. So I know that's one of the big core things that Blue Stout is about is helping your brands really set up the proper email marketing tactics. What are some of the big sweeping things that brands are doing wrong or what are some of the things that you have seen that are just like absolutely killer from an email marketing tactic standpoint?

Allen Burt:

Yeah, great question. So, let's start with what everybody's doing wrong because I think that's probably the area that you could start to optimize the fastest. So the two biggest areas that we see brands failing in, especially brands that are just now starting to scale. Say you're doing five to 10 million and really starting to hit your stride. You've built a decent size list. The two areas that we see brands get into trouble are, first off, they're sending campaigns to their entire list or to incredibly broad segments of their entire list and they're not doing a good job of niching down or segmenting down. That's going to be your number one biggest problem.

Allen Burt:



And the reason being is that you're going to be very limited to how much email you can send when you're sending it to your entire list and still maintain high open rates and high engagement rates. The way that we always talk about it at Blue Stout is that you need to be thinking about your email list as this multimillion dollar asset that yes, needs to be scaled but also needs to be protected. And as you scale, if you just continue to send emails consistently to your entire list, open rates are going to go down, your sender reputation is going to go down. And ultimately, you're going to be in trouble with this asset you've created.

Allen Burt:

So, being very, very diligent about who you send to and how you create those segments is the biggest flaw we see, mainly because, a, you got to protect the list, but then also, because the more you segment, the more you can send. Now, let's say a brand is sending eight emails a month and they're sending to the entire list. You might be able to double that and send 16 if you're sending certain emails to targeted segments and increasing send to your most engaged customer base or your most engaged prospects, or actually sending more email to the folks that are more engaged. And then reducing the amount of email you're sending to those that are less engaged.

Allen Burt:

By doing that, by sending actually less email to those who are less engaged, you actually are more likely to engage them. So if you think about somebody who's getting emails from you a month that doesn't want any of them, they're not going to open anything. But if you send that person one email every two months, they might actually engage because they're just interested enough or just intrigued enough or you're reaching out just infrequently enough that they're going to engage. And getting them to engage that one time every other month is way better than them getting to zero engagement overall. So you can actually increase revenue to your least engaged segments by sending them less email, and a lot of brands don't understand that.

Jeremy Blossom:

Yeah, that's so true. I like talking to you, man. Because I've preached this stuff so much to people, and you broke that down so perfectly. Yeah, everyone listening here, there is no such thing as over-segmenting, and there's so many more, I bet you there's so much more you could stretch out your audience than you really think you can. And that's the way to think about it. Your email list is like putty. And if you just take the whole lot of putty and just slap it onto something, you're not getting the maximum use out of it. You can actually stretch this putty out over and over and over again and you can cover a really, really big area, and you can actually have a way more impactful email marketing strategy. And that source can be so much more impactful for you.

Jeremy Blossom:

People ask me how much is too much email? And I go, there is really no such thing as too much email if you do the proper segmenting.

Allen Burt:

Exactly.

Jeremy Blossom:



Because there's going to be people who want to hear from you as often as they possibly can because let's say that you're selling a nutrition type product and they're really into weight loss right now and they're really wanted to stay motivated and they really like this content that you're producing. Other people are, I've kind of fallen off the wagon, I'm really not into it. But they like those reminders and you do put out good content. So, those are just two different extremes because of the psychology behind the person.

Jeremy Blossom:

So good, segmenting is what a lot people do wrong. What are some of the things that people like to do or that you are seeing that people are doing right or that they should be doing more of?

Allen Burt:

Yeah. The thing that people should be doing a lot more of is automations We see a lot of brands that default to campaigns. And campaigns are fantastic, you should be sending a lot more campaigns with better segmentations like we talked about. But the area that we see a lot of people neglect is what we call automations or flows. And again, in the digital space, you see this all the time, drip campaigns or whatever you want to call them. In the eCommerce space, it's not unusual to run to a brand that's a high seven figure or even eight figure brand, the most they do with an automation is like a welcome sequence that someone who signs up for the newsletter, and then an abandoned cart sequence too.

Allen Burt:

And the reality is, base level flows for a seven figure branch should be anywhere from six to eight automations that are firing all the time. And the way that we describe this is if you understand your customer journey, you understand that it's going to be way more than a single touch point to get somebody to buy your product. So, getting them to come from an ad linear site once is very unlikely they're going to buy. And on average, it's going to take anywhere from five to 15 touchpoints with your brand to get somebody to finally convert.

Allen Burt:

So, if you think of it that way, and you think about this person who's sort of walking along this pathway, their buying journey with you as this pathway, and all along the way, there's all these touch points, you should be using email and using automations to fire at each of these various different touch points to help to nudge them to that next touch point. So, as an example, before somebody buys, you could think of the very basic flow setups as a welcome sequence. You could have browse abandonment sequences.

Allen Burt:

So when somebody signs up, you know they're on a specific product page or a specific collections page. You can fire a very specific browse abandonment sequence. If somebody makes it to the cart page, then you can start to fire cart abandonment sequences. After they make their first purchase, you can do an indoctrination sequence that really pulls them into the brand story. Then you can do upsell sequences or cross-sell sequences. And after they buy their second product, you can have a whole nother set of sequences. And then after the third buy, you can put them in the VIP campaigns.

Allen Burt:

So all these different touch points along the customer journey should all have automations that are tied to them. These are things that again, they're firing in the background. And the benefit of these is a, they're firing in the background so it's not like you're having to go out and create campaigns every week to do them. B, they're nudging customers to that next stage. So a, you're building in these touchpoints with them that are going to nudge them to the next stage, which by the way, makes your ads more effective. So if you have somebody who's seen a retargeting ad who also saw three emails from you, they're going to be much more likely to convert on that ad. And I think these are all things people forget.

Allen Burt:

And then, most importantly, is that automations because they're fired and they're triggered based upon an action your customer's already taken, they also get better engagement. Versus like a campaign that I just blast out and send to people that's yes, we make it very relevant and they're segmented, but it's not based on something you did. But if you were just on a product page and we fire on a browse abandonment sequence, that connection and congruency is there, and so you're much more likely to open it because it's very relevant to the thing you just did. And so we see open rates for these types of automation campaigns that can range from 30 to 50%. And so, you get a lot higher engagement off of automations than you do just off of regular email campaigns.

Jeremy Blossom:

Yeah, absolutely. And that's such an easy way for people to understand a couple things. One is it's an easy way to get instant feedback. So, open rates and engagements with your stuff as feedback on, is it working or is it not working? A, not to mention that there's a way for us, if you think about the customer, do you get feedback on what they want next and what are people doing? So, by you getting this feedback from them, creating these automation sequences, and then going back and testing how they're working, you're able to see this info.

Jeremy Blossom:

Do you A/B test, Allen, these email sequences, these automations I should say or do you kind of set it and then look at the numbers and only tweak based off the numbers or both?

Allen Burt:

Both. So the answer is both. What we always start with is sort of the baseline. It's something is better than nothing, so you need to get something, the analogy I always give for this is like, if you think of your brand, think of your businesses like a Formula One race car, there's times to tweak the engine and fine tune the engine. But fine tune the engine doesn't do much if you're missing one of the tires. We're looking for like, let's make sure you've got all four tires in the car first before you start doing things like A/B testing. And email automation sequences is absolutely one of those tires.

Allen Burt:

And so, for a lot of brands who we first start working with, it's figuring out, okay, what's the customer journey and what are the sequences that need to be set up first and let's get them in place. And then let's see what the data does. Lots of times, we'll see sequences that are big winners, we'll see ones that are just massive failures. So we just go in and completely revamp the ones that failed. Other times, we'll see kind of a mix or we'll see him kind of plateau out. They'll see some growth and they'll plateau. And it's at those plateaus where it starts to make sense to A/B lots of different things. We can A/B test

subject lines to get open rates up. We can A/B test offers within the emails in order to get click rates up. So there's lots of different things you can start to test once you get those baseline flows in place.

Allen Burt:

And then the data also shows where you should start to create more branches and additional flows. So you might have somebody sign up for a welcome offering, or they sign up for a newsletter, let's say, maybe they sign up to get a 10% discount on their first order. And we see very specific engagement within that first welcome sequence. We might create a branch that actually fires a different version of it for somebody that clicks on the first email. So if we had to offer two products in an offering in that sequence and somebody clicks one versus the other, you might then push them into a completely different sequence after that versus somebody else. So you can get infinitely complex with these as you continue to grow over time.

Jeremy Blossom:

Yeah, that's brilliant. I know I'm going to get a lot of questions about this. So What email service platform provider so you use, like the most and why?

Allen Burt:

In eCommerce, the number one platform that we recommend is a platform called Klaviyo. And it's pretty specific to eComm. We don't see it being used much elsewhere. And it's been one of these very fast growing SaaS companies that really only popped up a handful years ago but has very quickly been the go to platform. And the reason being is that they have really deep integrations with the existing eCommerce platforms like Shopify. Shopify and Shopify Plus is the main eCommerce platform that the majority of our clients work on. And Klaviyo has a deep API integration that allows you to do things like segment based upon all the actions that are being taken on the store.

Allen Burt:

So as opposed to saying okay, we're going to create segments based upon just like email open rates or just on email click rates, we can actually create segments within Klaviyo based around what product page did you click on? When was the last time you visited the Shopify store? What products are currently in your cart? When's the last time you placed an order? There's all these different criteria, that's data, all this data that's presented through your Shopify store that we're collecting through that store and it gets automatically ported into Klaviyo, that allows us to do a lot of these really robust segmentations and automations. And so, for those reasons, it's the platform that we recommend right now.

Jeremy Blossom:

Yeah, that's great. I've heard amazing things about that platform from a ton of eCommerce brands. I'm going to depart here for a second and kind of make a hard right. I've gotten this question from friends who've got eCommerce brands, from people in the space and industry. So I'd love to ask you the expert on this question. So let's say that you've got a relatively successful brand that is selling really well on Amazon. And you want to sell it directly in your Shopify store, but it's really, really hard for you to go and compete with Amazon sales. What are some of your first strategies? How would you approach a problem like that?

Allen Burt:

Yeah. We get this question all the time. Unfortunately, it's a very deep, it's sort of a Pandora's Box question because there's a lot of factors that come into play here. Brands that are successful on Amazon, there's a lot of ways you can be successful on Amazon by sort of playing the Amazon algorithm games. And sometimes, those brands are just not built for direct to consumer online without Amazon. So we see this all the time with commodity products. Talk about, there was a brand that we'd worked with that mainly like a cookwares brand. But it was very low cost kind of cheap like spatulas and sifters and things you'd find your kitchen< but no real brand differentiations. And it was fantastic on Amazon, they had a multi-seven figure brand because they just ranked incredibly well for Amazon. But it just did not perform well once they tried to go out into the broader market and sell on their own site.

Allen Burt:

And so the first question to ask is do you actually have a brand? Are you making sales in Amazon because you're a differentiator, or your product has what we call unique selling propositions that differentiate you from the market? So that's sort of the first big thing is if you are a brand and you have name product differentiation, then you can absolutely go out and create your own channel online. So that's sort of the first big question.

Allen Burt:

And then the question becomes, once you have that, how do you actually make that transition? And the best way we seem to do it is you kind of have to start from scratch to a certain degree. You'd launch your store, start building out your presence online, your brand presence online, driving traffic, building out email campaigns. Everything you'd do if you're launching a brand online without that Amazon component. But with that Amazon component, what you can do is you can start to do things like packaging. So if you've got product packaging, let's say for example you're selling a supplement, let's say. Let's just kind of make something up, like a supplement.

Allen Burt:

Now let's say your product packaging has your website on it, or let's say you have sort of call outs on your packaging that go to this resource to get workout updates or to get lifting updates or training updates or things like that. You can use sort of parts of your physical product to actually then drive people to other resources online is one way that we've seen that done well. But it is, it does get very tricky. But the first question always is, do you have a brand or are you just leveraging Amazon to sell a commodity?

Jeremy Blossom:

Yeah, that's absolutely true, and great answer to that. And so, I think that's a big relevant topic for a lot of people, and I think the Blue Stout would be a great resource for those people to go and start to a, create that brand and implement these strategies that you guys have been able to do over and over and over again.

Jeremy Blossom:

So now we've got a company, let's say we've got this company that's been doing well. They're at this sweet spot of the eight figure business. They just finally got over the \$10 million mark. And they're going to come to you and they're like, look, Allen, I want to get to 50 million, I want to get to 100 million. I really, really want to scale. And so, this is really where you guys come in, this is your sweet spot, is scaling these types of different companies. Your approach is probably going to be on a few different

areas that you're going to try to tackle with inside that business. But can you talk about what are some of the big things that people should be thinking about? What are some of the tactics and strategies you like to incorporate when trying to scale? These are companies that are doing well and that's what's on the top of their mind?

Allen Burt:

Great question. The most common scenario, and we see this all the time, is that there's typically a ceiling that these brands hit. Most brands that have seen some early success, let's call it the 10 million mark. That is sort of one of those major kind of revenue ceilings that we see. They typically got there with one or two really strong tactics. Meaning they either leverage something like influencers incredibly well. They leverage Facebook advertising incredibly well. Maybe they're on Shark Tank, we work with a lot of Shark Tank brands that see their initial sort of rocket ship growth after that Shark Tank presentation.

Allen Burt:

And so, typically, it's one or two channels that kind of got them to that point. And now they're sitting there going like, okay, well, we've kind of plateaued, we've hit a ceiling, now what. And at this point, there's a lot of different things you have to do, and we are by no means experts in all of them, we have a very narrow focus. But typically, what we see is brands that are going and saying, okay, we have to diversify sales channels so we have to diversify our traffic channels. And there's dozens of different ways to do that. But the most important piece of all this is that you're going to be starting to go out to a broader audience.

Allen Burt:

So, when you hit that ceiling, it's typically because you've kind of exhausted this initial niche or really concentrated audience groups. To kind of give you the Facebook ads example, you always kind of create audiences in Facebook ads, and you'll eventually kind of hit a ceiling where you're like, we've sort of maxed out this audience, we need to go broader. So, you can think about that same analogy when you think about just the general market, you have to go broader.

Allen Burt:

The problem when you go broader is that your customer base, your prospects aren't quite as concentrated. So it's going to be a lot harder to convert to that cold audience. So you have to get really, really smart about what you're doing on what we call the other side of the equation. So if the equation is traffic times conversion times your average order value equals revenue, you're increasing that traffic number, so you're really going to need to go in and focus on how the store is performing and how your order value is performing.

Allen Burt:

And so, the very first thing we do with those brands is sit down and say, Okay, let's look at what your current metrics look like right now at the traffic you're driving right now. And let's assume you're going to double your traffic right in order to scale or you're going to double traffic. But in order to double it, we also have to assume that the potency of that traffic is going to decrease significantly because you're going to be going to a much broader audience.

Allen Burt:

So, if you want to maintain those numbers, if you want to maintain that conversion rate that you're seeing on this very concentrated traffic, then we're gonna have to go in and optimize every piece of the customer journey so that you're really dialed in with everything starting from messaging and branding, understanding the pain points, the reasons that people are going to buy and not buy and dial in that entire customer journey. The only way you can go out and expand to new audiences and quarter audiences is by going in and looking at that journey you're walking them through and optimizing for each stage of it. So that's where we always start.

Jeremy Blossom:

Yeah, great, great answer, man. That is so true. And I love that last point that you made. They're just setting the right expectation. People must love you because that's what I see so many people do wrong is that they think, oh, the hardest was getting to 10 million. Yeah, that was really, really hard, but to scale that, you're basically repeating the same process all over again. You have to learn how to communicate this message outside of your core tribe, your core users, and learn the new messaging all over again, learn what attracts them, what do they want. And that takes time, it takes money, it takes testing, it takes optimizing. So, that was really, really well said.

Jeremy Blossom:

The potency of the traffic that you're going to be getting when you're doubling it to scale your business from an eight figure to a high eight figure business, it's going to take time, and it's not going to be as potent. And you do need to look at the entire customer journey again during that process and see where the fall offs are happening, what's working, what's not working. And that takes an investment into the resources in your team. And it also is why people hire you. That's why Blue Stout exists is because this is not easy, this isn't, everybody's like, oh great, I got to 10 million. This is a piece of cake to get to 50. It takes an entire team of experts to really dial in.

Jeremy Blossom:

Another thing I'll say too is, I talk to a lot of marketers, and some marketers just got a really good intuition. They've got really big, I call them big idea marketers. And they can make wildly successful careers out of these big ideas. And then there is the other side of it, which is more of the quant-based. And as we've been talking, that's just what keeps coming to mind is that you're so quant-based, you're so numbers focused. And that's the real way you can tell if someone knows what they're talking about or not, is the numbers, because numbers don't lie, it's black and white. Either you hit it or you didn't. [inaudible 00:40:38] or you didn't do this.

Jeremy Blossom:

And that's pretty simple. If you get a conversion rate at two or four or six percent and you have this much traffic that goes through it, and your average order value is x, you'll find out exactly what your revenue numbers are. It's not that hard. But so many people just avoid that extreme quantitative approach. But in my experience, it's these types of people like you are really the people that you should trust to scale your business with. It's the people that really get it because you're obsessed with it and you're constantly monitoring it.

Jeremy Blossom:

Are you seeing any out of the box strategies right now that are kind of floating up that you've got an eye on from either acquisition, traffic source, it could run the gamut, but I'd love to hear any ideas or new trends that you're excited about?

Allen Burt:

Yeah, that's a great question. There's always things that are bubbling up that are sort of new tactics. It's funny, and I'll answer the question, but I think the most impactful thing that we see consistently across every brand that we work with, because every single brand that we work with comes and they ask the question you just ask. And the way we always answer it is go, yes, there are, but you're not ready for it yet because you're missing on the fundamentals. So the way that we see the absolute biggest success by drilling down to the fundamentals first, and creating leverage there, and then applying some of these sort of new tactics or new channels or new sort of strategies that might be kind of in vogue now.

Allen Burt:

And what I mean by the fundamentals is that kind of, let's take that example of when you hit that sort of ceiling, that that \$10 million ceiling, and you've got to go back and sort of reassess how you're messaging. Now what we find is that a lot of brands just have very watered down messaging, very watered down selling propositions. You used the potency example which is not very potent experiences for the customer. That will by far have a more dramatic effect on your ability to scale than saying, oh, let's test Snapchat, or let's test Tik Tok. It's not as sexy because you always want to be trying the new thing, I would say, first off, make sure you've got your fundamentals dialed in. Customers make purchase decisions in two stages. The first one is emotional, and the second one is logical. And you've got to walk them through that process exactly like that in order to get a high conversion rate of your store.

Allen Burt:

And so you have to make sure, first off, you're hooking them emotionally into why they should buy this. And that's a very primal experience for a customer. You've had it, you walk through a store, you see something on Instagram, you're like, oh, I want that, or I need that or that solves a problem. And then that customer's mind immediately says, well, okay, it cost 100 bucks or you know what, I actually just bought a pair of shoes last week, or I'm traveling this weekend, will it get here in time? There's all these logical questions that come after that emotional question and you have to anticipate those and answer those and talk them into buying versus out of buying with those answers.

Allen Burt:

So that's the first piece I recommend to everybody who runs a brand is dial that in first before you do anything else. But after that, interesting enough, we're seeing a lot of brands that are having major success with, this isn't some major secret and it's something that again in the digital space, everybody has been doing this for years, but physical products brands have not, it's building audiences. And it's not usually utilizing Facebook, it's not utilizing sort of Instagram ads. It's really developing core audiences that trust who you are. And it takes more time, but the brands that we see succeeding the absolute most right now are ones that actually started out with massive audiences and engaged audience, maybe their immediate brands or content brands, and then added a physical products component to it.

Allen Burt:



And so, we're seeing the reverse happen, where a lot of brands now are saying, okay, well, look, we know this works, we know customer acquisition costs are way lower, we have an engaged audience, let's go out and start creating really engaged groups or communities or audiences around it. It's a bit of a longer term play but it's something that three years ago, no physical products brand was really that focused on except for some of the folks that were pretty ahead of their time like Glossier and Barstool Sports and guys like that. But right now, that's probably the most effective strategy we're seeing is brands that are creating communities around what they're doing.

Allen Burt:

And a great example is, I talked to a client the other day. They went from zero to a three and a half million dollar run rate in less than two years in the baby clothing space. And the majority of that could be tied back to a Facebook community of moms that she created the day she started the brand. And so, it's a Facebook group, moms share their kind of mom secrets, mom stuff. She does sort of limited releases to her Facebook group. Before she launches a new product on the site, she announces it to her Facebook group first. It's a really engaged community that trusts her, she takes feedback, puts that into the product development. And she's been able to scale through that without advertising very quickly. So, I would be focused on building out communities and content.

Jeremy Blossom:

Yeah, I love that. Everybody listening, the times of you and me are gone. The conversation needs to be us and together. That's how you can make that transition. If you've got a brand that's always saying, you, you, you, you need this, you need this, you need this, I can do this, I can do this, I could do this, that's a you and me thing. And instead, a way to create community is together we, us, we are going to do this, let's all of us do this together. And then it makes it feel so much more inclusive. So just think about your messaging, think about the way you're positioning your product or service to be not so you me, and much more us.

Jeremy Blossom:

Allen, I ask everybody this question, you're a fellow entrepreneur, you're a CEO, you're a hustler, you're visionary, you're out there killing it. How do you get inspired? How do you stay inspired? What are the things that you're doing to stay at the forefront of this huge momentum that Blue Stout has had? What are you doing personally to stay positive and encouraged?

Allen Burt:

Yeah. I'd say it's probably two things. One of which I'm doing much less of because we've got an eight week old baby, but I'm pretty voracious reader and podcast listener and I've always found that to be my sort of main source of inspiration and sort of education. And that's one of the reasons why we started The Commerce Lab Podcast, [thecommercelab.com](http://thecommercelab.com), was specifically because I got so much value out of listening to other entrepreneurs. I think we're in this time where I think a lot of people take for granted how much of this information is available. If you're Rockefeller back in the day, you didn't have access to all this information. We literally live in an age where you can learn anything about anybody and have the insights from the most brilliant minds in the world on a daily basis in your car or in your home through books and audio, and I think that's absolutely incredible and I don't discount that at all.

Allen Burt:

And then the second piece would be, I've recently started doing this, but it's been joining masterminds. Paying a fair amount of money to do so. Some of these are, we're paying 10s of thousands of dollars a year to be a part of them. Getting in the room with other incredibly smart people and bouncing ideas off or having other people help you solve your problems probably has provided the greatest return on investment for me over the last three years for growing my business. And so, I would encourage folks that are, especially those that are digital entrepreneurs or folks that are kind of working remotely from home, make sure you have a community, make sure you have a tribe of people that you interact with that are other entrepreneurs, specifically ones that are maybe a step ahead of you that can help you navigate those challenges. I found that to be incredibly helpful.

Jeremy Blossom:

Yeah. Wow. I love it. Fill up your tank everybody with really good information. It's out there and it's available. And surround yourself with people smarter than you. You can do that through masterminds. By the way, Allen, I completely agree with both. And the masterminds have been one of the best things that I've done in the last two years or so. It's helped my business out.

Jeremy Blossom:

So, lots of people are really like, hey, I need Allen in my life, I need Blue Stout in my life. How can they contact you, how can they work with you? For sure they need to go and check out your podcasts or Commerce Lab because you're amazing. But how else can they get in contact with you?

Allen Burt:

Yeah. So I'd say the very first thing is absolutely check out the podcast. The Commerce Lab on whatever your favorite podcast sort of listening app is. Or go to [thecommercelab.com](https://thecommercelab.com), sign up for our weekly newsletter. It's not just the podcast, it's a high value breakdown of the tactics that we're learning in the episode. So it's a very succinct weekly update of kind of what those core tactics are from that brand. And then if you are a physical products brand, if you're a brand owner, specifically if you're a brand owner that's doing over a million in revenue, the brands that we typically work with are doing between a million to 50 million. Our core sweet spot is five to 20.

Allen Burt:

If you're one of those brands and you're specifically looking for help creating leverage in your business, increasing conversion rates, increasing AOV or increasing revenue from email, then just go over to [bluestout.com](https://bluestout.com), it's blue like the color, stout like the beer is how I always describe it, [bluestout.com](https://bluestout.com). We actually do free strategy sessions for brands that are good fit, and you can actually book time on our calendar to sit down many times with myself and one of our other lead strategist and we will do a deep dive into the brand. We'll do a deep dive into our metrics and we'll help you lay out a game plan whether or not you want to work with us or not. You could take that implement yourself if you wanted to. If you're interested in doing that, you can go to [bluestout.com/strategy](https://bluestout.com/strategy) and just book a time on our calendar.

Jeremy Blossom:

I would take him up on it, everybody. Thank you so much, Allen. You're brilliant. Thanks so much for bringing your genius to this podcast. It's been a great time and we'll definitely have to have you back. And everybody else, thank you so much for listening. This is your host, Jeremy blossom, and stay tuned for our next episode. You won't want to miss it. Thanks again for listening. Take care.

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Jeremy Blossom:

There you go. That concludes another episode of the Secrets of Marketers Podcast. Thank you guys so much for listening. If you're looking for even more content, more ideas, more things that you can do today to help grow your business, then head on over to my Instagram page @SecretsofMarketers. I've got a bunch of content on there and we are giving you guys access to all the behind the scenes stuff that go into making these episodes happen, as well as even more content that you can start to apply to your business today.

Jeremy Blossom:

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