



Episode 1,018: Listener Success Stories: How the Tom Woods Show Spawned These New Entrepreneurs

Guests: Nicholas & Tara Miller, Amy Thiessen, and David Leddy

WOODS: Okay, let's talk about this. I guess I've seen both of you on different occasions post about the success you've had in ecommerce. My understanding is you've both quit your jobs. Am I right about that?

N. MILLER: Actually, no. I was working. Tara was a stay-at-home mom. We have four young children. So I'm the one, I left my job. Yeah, so Tara was actually staying at home with the kids, and now we both kind of do this together from home on our own time now.

WOODS: Okay, all right, that's good. So you started this back in March or April, something like that, and you've been working on it consistently since then?

T. MILLER: So I started the training in March with everybody else, and we kind of just started it as like a side thing to hopefully bring in a little bit extra money. I didn't really have a lot of sales until about June it started picking up. July, we did pretty well. August was really, really good, surprisingly good, and that was when we made the decision for Nick to leave his job, because it was taking a lot more time than we anticipated and it just made more sense. The online business was making more money, so it just made more sense for him to leave his current job and help me with the online business.

WOODS: All right, so you're continuing to have success up to this moment that we're speaking?

T. MILLER: Yeah, it's doing very, very well right now.

N. MILLER: Yes.

WOODS: Yeah, in fact, if I may just jump in, you posted a photo of the two of you – and you have four children?

N. MILLER: Yes.

WOODS: Okay, so almost at the Woods level but not quite. It was a picture of you guys at the beach. And the thing is, I was trying to get you guys on last week and I was told you were on vacation. Was that where you took that photo?

N. MILLER: Yes, yeah.

T. MILLER: Yep.

WOODS: Okay, and you posted that photo and said this amazing thing about how you have a business that you say in a way kind of runs itself, in the sense that certainly you could be sleeping and orders are being taken and that sort of thing, whereas Joe's Corner Store certainly can't do that. But what I want to keep emphasizing because what I think keeps people from taking the plunge and doing things like this is this sense of other people do that kind of thing but not me. Or I don't have the background; how could I possibly do this? What would you say there?

T. MILLER: Actually, we plan on in the future focusing more on helping just regular people, moms and dads like we are, to do the things that we are doing, because it is very simple. My husband actually was – I remember the day – actually, we were just talking about this – when he listened to your podcast talking about the training that we did, and he was like, You have to do this. This is totally right up your alley. Because I do have a background in web development, although this has nothing to do with web development. I do know a little bit about computers, and we've always been looking for a way to make more money online. And he was like, You need to listen to this podcast and see if you can do this. So I listened to it and I was like, Yeah, it sounds great. We might as well pay the money and take the training because it had a pretty good guarantee tied to it, so we figured we had nothing to lose.

And I honestly was really shocked at how simple it really is. I mean, not everyone would say that. Obviously, you have people with varying levels of success. But I really took it and ran with it. I read everything I could possibly find online, which the Internet is a wealth of information, obviously. I read everything I could find about this business model and applied different methods, tested different things to see if it would work. And it really is really not that difficult, so I think absolutely anybody can do it. If you have a computer, if you have an Internet connection and you can follow instructions, I mean, even just information out there that you can find for free, it's really not that hard.

WOODS: Well, also, I think you can learn on the job. You don't have to know everything there is to know to open your store, and then little by little, you can learn things like how to send emails to people who abandon their shopping cart without buying anything, or how to add upsells so that somebody buys a product and then you immediately offer them a similar product they might also enjoy. You don't have to do that right out of the bat, and you can learn that later. You don't even have to learn that. In other words, there are tweaks you can make as time goes on, but you don't have to know all those sorts of tweaks just to open the store.

T. MILLER: Absolutely, yeah. It's very simple to just start up, and it's very – I don't want to say cheap, but it's not expensive to just start. And I mean, I've had the success

that I've had just by learning along the way. You can run into a problem and search for solutions and just test them and see what works. It's really easy.

N. MILLER: Yeah, I would have to say it's one of the lowest-cost business models I've ever seen. I can't imagine something that has this little startup cost attached to it that has this upside that we've experienced over the past six months.

WOODS: What's great is that you don't have to hold any inventory.

N. MILLER: Exactly, exactly.

WOODS: First of all, who has the money for that? And secondly, who has the garage space for a garage full of widgets?

N. MILLER: Yeah, and so you have no inventory and you have none of the basic overhead that you would have with a brick-and-mortar. And you mentioned earlier, too, you were making sales 24 hours a day. Most brick-and-mortars, maybe they're open for 12 hours, 15 hours, something along those lines, and you have to hire multiple people to try to run something 24 hours a day, 7 days a week, 365 days a year. That's a lot of overhead just in utilities and labor that you have to pay for that. So you don't have to hold inventory and you don't have a brick-and-mortar. Basically, your expense is your time learning how to do it and then obviously your ad expense and things of that nature and a little bit of other things attached to it. But it's pretty low. It's really low.

T. MILLER: Yeah, the profit margin is very high with this business model. The overhead is very, very low.

WOODS: All right, so when you have — Now, I'm not going to ask you for particular figures, but if — let's say you had a month where you made \$20,000 in sales. People will tout those figures — let's say if they were training you to be in ecommerce. They'd say, Look, so-and-so did this much in sales. But we don't know what that means, because maybe they spent 30,000 on ads. So what would you say the profit margin percentage for you is?

T. MILLER: Well, we actually currently have two stores operating. We just started a new one in September. And it's actually already over six figures a month —

WOODS: What [laughing]?

T. MILLER: [laughing] Yeah.

N. MILLER: We're just under 500,000 in sales in the past three months between our two stores.

WOODS: Okay, you've told Steve about this, right?

T. MILLER: Yes, yeah, we've talked with Steve [laughing] —

WOODS: [laughing] Okay.

T. MILLER: But the profit margin combined for I think the average store with your ad cost and if you have virtual assistants and product costs and all that should be usually between 20 and 40%.

WOODS: All right, yeah, that's amazing. Especially consider what it must be like – Now, I know there are people for whom restaurants are their passion. They want to cook and that's going to be their thing. I get that's their passion. But man, are their profit margins razor thin. It is so hard to keep open. Whereas you've got this model like this with this kind of potential. It's really quite overwhelming.

Now, you just mentioned virtual assistants. In other words, that means you got to a point where you were profitable enough that you said, You know, a lot of what I'm doing is drudgery that I don't want to do that I could easily have somebody else do, and you made the decision to hire at least one person to do those things. Is that what I'm to understand?

T. MILLER: Yeah, so we currently have two virtual assistants who work for us, and we actually hired them out of the Philippines, and they are amazing. They are very, very good – I mean, they're awesome workers. They are very dedicated to our stores and what we offer our customers. They're awesome with customer service. They pretty much do – I mean, they do everything except for ad work, basically. Like, we work with the ads and marketing, and they do everything else.

WOODS: Okay, now, did you have a background in advertising or marketing before you started this?

T. MILLER: I did not. I didn't know anything about marketing, and now I feel like I'm pretty good at it.

N. MILLER: Yeah, no experience for me on my end.

WOODS: That's amazing. But that really is – So let me ask you this. What do you spend the most time on? Is it developing the ads, or is it constantly trying to identify new potentially profitable products?

T. MILLER: It's probably a mix of actually both of those things. So every morning, I get up and basically analyze my ads – well, not every morning. It's usually every other morning – and analyze how my ads are doing. And I either scale them up or scale them down depending on how they're performing, and that takes a couple of hours maybe at the most. And then if I feel like it, I'll go and look for more products to test. But right now, it's pretty smooth sailing. We don't really need to test many products at this point, but certain ads will eventually kind of die off a little bit or start doing a little worse than they were, and at that point, then yeah, we'll test another product.

WOODS: Okay, now, did your initial decision for what niche to get into turn out to be the right decision, or did you have to go back and say, This one's a turkey. Let's try a different one?

T. MILLER: No, my first niche actually took off really well. So I followed my gut. The training that we took, they had a method for finding a niche, and I didn't really use it because I felt right off the bat that I had a good idea for a niche, and it wasn't actually included in their niche packs or anything like that. But I just felt that it would be a really good niche for me personally because I know a lot about it and am interested in it. So I just went with it, and it actually turned out to work really, really well. And then for my second store, it's kind of a spinoff of my first one. So same thing, and it's actually doing better than my first one.

WOODS: That's unbelievable. I mean, I don't even know what to say to you guys.

N. MILLER: [laughing] Yeah, we feel the same way, Tom. I mean, our life —

T. MILLER: I know. We're just like, Is this real life?

N. MILLER: Yeah, our life has completely changed because of this. You know, six months ago, this was just, okay, we can maybe do this as a little bit of supplemental income, and life has completely changed for us. So yeah, it's still unbelievable. So yeah —

T. MILLER: So thank you for that [laughing].

N. MILLER: Yeah, thank you, Tom.

WOODS: Yeah, I guess you're welcome [laughing]. I didn't think I was doing you this much good, but geez, that is just amazing. I mean, to do half a million in sales in three months, that is insane. That's totally insane. And by the way, it helps to have a Facebook group like that, doesn't it? Because you get a lot of people who have the same questions. You can share advice. You can get answers to technical questions. It's just like my bloggers' group, people just getting started with blogging. Yeah, you could probably find the answer if you had three and half hours and you weren't ready to murder somebody, but if you had a nice group like this, it sure makes it easier.

T. MILLER: Right, yeah, the group was priceless, absolutely.

WOODS: Boy, that is really incredible. What else can you tell me? I'm even out of questions. I don't even know what to ask you. What else can you tell me about any of this, things that surprised you, things that you — Is there anything you failed at earlier on where you said, Well, boy, this sure didn't work? Did you have trouble finding good products? Did anything go wrong, in other words?

N. MILLER: Do you want to tell the story about what happened the week after I resigned [laughing]?

T. MILLER: So, yeah — [laughing]

WOODS: Oh, no. Oh, no, this sounds bad.

N. MILLER: Oh, it was – looking back on it now, it's just kind of funny. So I was in insurance, and I have four young children as we mentioned. My oldest is six and our youngest is –

T. MILLER: He's seven, actually.

N. MILLER: – or seven now. My oldest is seven, my youngest is two, and two little boys in between there. And so I resigned from my job because everything was going very well, and literally the week after I resigned – so I resigned on Friday. Starting the following Monday and Tuesday, we started having some issues with the store, with our initial niche store and some of the ads and just some different things, issues with the pixel, and it was like –

T. MILLER: It was like it was falling apart.

N. MILLER: Yeah, it really did. It looked like the rug was pulled out from under us. And there were a couple stressful days, but we were able to get it taken care of. Tara definitely put a lot of time in that week and got everything figured out. And looking back on it now, it's just a hiccup. It's just a little, minor hiccup we had, and it's just continued to skyrocket up since then. But looking back, that's about the only white-knuckle situation I guess you could say that we've experienced through this whole process. And actually, we kind of look at each other and laugh about that. That was a funny week we had there.

T. MILLER: Yeah.

N. MILLER: Very stressful, but it was – everything worked out all right. And actually, looking back, we were still profitable for that week. We were still very profitable; we just had to scale back going into the weekend, and it kind of messed up a couple of our ads. So maybe that might have had a little bit to do with it, but either way, it was a little bit of a stressful week.

T. MILLER: [laughing] It was very stressful that week, actually. And like he said, we weren't doing as bad as we thought we were; it was just scary to see the numbers going down for a short period of time. But looking back at it now, if someone else were going through the same thing, it's totally fixable. That's just how sales works. We have up and down weeks now, and now that we know that that's normal and that happens, it's not so scary when it happens.

N. MILLER: Yeah, I think that's what it was too, is we saw the sales going down for the first time since we started the store –

T. MILLER: Yeah, right after he quit his job [laughing].

N. MILLER: [laughing] Yeah, after I resigned from a good company, a good job. And that's the first time we saw sales dip down, so we didn't really know what to do with that information. What does this mean? Does this mean it's just going to continue to dip, and how long is this going to go down for? And now we know that it's sales. I was actually in sales before, so I should have known that sales can be a bit of a

rollercoaster sometimes. But yeah, everything's great. Everything worked out excellent.

WOODS: Now that you've stabilized in the sense that you don't have a huge learning curve left — you basically know what you need to do every day. You've got a routine. *I'm going to monitor how my ads are doing.* You know, step by step, you know exactly what to do — is it the same kind of time commitment as a traditional job, but yet you can just be more flexible with it, or is it less or more or what?

T. MILLER: It really depends on how things are going. So if everything's going well, I mean, I could spend an hour a day. Like when we went on vacation, everything was fine and it basically ran itself, and I worked maybe like two hours the whole time we were on vacation. So it definitely does not require I would say the same time commitment that a normal job does. But at first, before we got virtual assistants, I was definitely spending probably 40+ hours a week building my stores, and once we'd made the decision to hire the virtual assistants, it's been a lot less time commitment.

N. MILLER: Yeah.

WOODS: Wow, okay.

N. MILLER: Yeah, I think you could go both ways. It depends on what you want to do with it. So for us, the lifestyle is a very important aspect. To have a successful store running, definitely, I don't see somebody having to put in a 9-to-5 five days a week to make this work. That's —

T. MILLER: Yeah, it just depends on what you want. If you want to make millions of dollars, obviously it's going to be a bigger time commitment, but if you're okay with a certain amount of money with less time commitment, then that's — You have the option to do as much time as you want, basically.

WOODS: Now, I have heard people who are in this niche who struggle to find products that worked. Or not necessarily products that worked, because there are products that did seem to sell for other people. It's getting that audience exactly right, and I think after a while they just said, Well, I just don't think this works for me, and they decided not to do it anymore. How can you advise people in that situation?

T. MILLER: I mean, I faced the same issues with my first store, was finding — after it took that initial dip, was finding an audience that reacted well to my ads again. And there are still struggles with that, especially since going into the fourth quarter, bigger retailers are going to be pouring big money into ads and you're going to be competing with them, so it can definitely hinder the performance of smaller ads.

But I would say test as much as you possibly can based on the research that you do on your target market. So initially I spent a lot of time basically just on Google finding everything that I could find about what my target market is interested in, what they do in their free time, the kind of jobs that they have, the kind of lifestyle that they live, how much money they're making. Because all of these things can be targeted in Facebook ads, basically. I mean, you can target anything from the kind of car someone

drives to their spending habits to brands that they're interested in, magazines that they read, websites that they visit. And it doesn't have to be exactly related to your niche to be a good-performing ad. So I can target something that maybe isn't related to my niche but is something that my target market is interested in, and it'll perform very well. So that would be my main advice to someone who's struggling, is just research as much as you can about your target market and test those different interests and habits and things like that. And you can start very small, you know? If I'm not really sure about a specific interest, then I'll start an ad at like \$3 or \$5, which is a very, very small amount. And if it doesn't work within a couple of days, then you try a new one.

WOODS: How do the two of you do this together without stepping on each other's toes?

N. MILLER: [laughing] We're still trying to figure that one out. But no, I don't know, we've always worked together pretty well in most of what we do.

T. MILLER: Yeah, we're kind of opposites of each other, so we balance each other out pretty well. But we are definitely still a work in progress as far as working together. This is all so new to us, you know? Nick just quit his job in August, so it's still — us both being home full time or wherever we want to be full time and with the kids — because we also homeschool, so it's definitely been a learning experience. But I mean, it's absolutely worth it. If you look at the bigger picture, we're going to have squabbles here and there, but it's definitely worth it and worth figuring out how to make it work.

WOODS: Well, it sure sounds like it. I just can't get over this. It's so great, and I just love that when you said, *Yeah, you know, I'm doing the advertising and marketing. I don't have any background in this, but now I feel like I'm pretty good at it* — so that's all you need, a few months of practicing. It's amazing. It's the beautiful thing about ecommerce, because you don't really have to do copywriting because you're not sending emails pitching products, so you don't really have to learn copywriting; you just have to learn how to do effective ads. And you can study other effective ads. I mean, there are a lot of ways to do this. By the way, did you use the ad-generator program that they have, like for free plus shipping and all that stuff? Did you use that? Because I use that to make my ads. I guess you're way more sophisticated than that now.

T. MILLER: [laughing] I actually did try it out initially. I tried the methods that they told us to use with the free plus shipping and that kind of thing, and I found that it didn't work for me, or my niche maybe it just didn't work for. I think every niche is going to be different with what people respond to, so maybe —

WOODS: Yeah.

T. MILLER: You know, obviously that's great for certain niches, but for my specific target market, the free plus shipping and the ads with the big like "Free plus shipping" on it didn't really work out too well. But what I have found works for me is honestly just posting a picture of the product or like a slideshow of the product and different pictures of it with just some basic copywriting on the ad, and that's what works best for me.

N. MILLER: Yeah, maybe a little jingle attached to it.

T. MILLER: Yeah, sometimes I'll use some royalty-free music to it and it works out great.

WOODS: Oh, that is pretty good. One last thing: do you put the price of the product in the Facebook ad, or do you wait till they click through and they can find out for themselves?

T. MILLER: I do not put the price on there. I will sometimes – like on your Facebook page, if you post an actual post to your page, you can tag a product in the ad, and sometimes I'll do that and it'll show the price on it. I do sometimes allow the price to be shown on re-targeting ads. So the re-targeting ads are where someone comes to your store, maybe they look at a product or maybe they add it to their cart but they don't buy it, and they'll be shown a re-targeting ad on Facebook after that. And some of my re-targeting ads it'll show – it's an option that you can select, it'll show the sale price next to the original price slashed out. And on some of them, it'll have that and it works pretty well. But I haven't really noticed a huge difference between allowing the price to be on there and not allowing the price to be on there.

WOODS: Okay, I was just wondering because I always went back and forth as to what was best, because I thought if I put the price then I know I'll get only people who are prepared to pay that price and I won't have to bother with people who don't like the price. But anyway, I wasn't sure if that was the best thing. And again, that probably also varies by niche. Well, continued good luck to you, not that you need anything from me at this point. This is totally ridiculous, really.

N. MILLER: Well, thank you, Tom. Thank you very much.

WOODS: And I hope I'll continue to be able to chit chat with you guys in the private Supporting Listeners group –

T. MILLER: Yeah, thanks –

WOODS: – and we can get updates from you. Yeah, yeah, I'm glad to have you both in there. And now you've got a second store, I mean, who knows? Maybe you'll be running the world. It'll be like WALL-E, like you're one company running the world in a few years.

T. MILLER: Well, we did join the people who did the training initially, they offered a blueprint academy. They opened up a few spots for people to join where the focus more on like Amazon and a couple other things, so we did join that so we definitely plan on expanding.

WOODS: Wow.

N. MILLER: Yeah, we have a conference we're going to later this month, actually.

T. MILLER: Yeah, we're going to Chicago on October 28th and 29th, I think.

N. MILLER: Yeah, last weekend in October.

T. MILLER: Yeah.

N. MILLER: So we are definitely planning on expanding, though, so knowing what we know now and seeing the upside in this industry, definitely not looking back. We're going to continue to grow and go on from there.

WOODS: Well, great. Couldn't be happier for you guys. Thanks a lot for sharing some of your story with us today.

T. MILLER: No problem. Thanks, Tom.

N. MILLER: Thanks for having us.

WOODS: All right, that was amazing, but I have more stories for you after we thank our sponsor.

[Sponsored content]

All right, let's talk now to Amy Thiessen, whose success I found out about. She wanted to maybe earn a few extra hundred dollars a month through ecommerce, and, whoa, it went way past that. So Amy, welcome.

THIESEN: Thank you, Tom. Really excited to be here.

WOODS: You are a member of my private bloggers' group, and you also have been working in ecommerce for a while. Now, I would be inclined to guess that that was not a term you used a whole lot before March of this year. Am I right?

THIESEN: Right, and you say "a while," and it's really been a few months [laughing].

WOODS: Yeah, it hasn't been that long, has it? That's right, that's right. Yeah, so you know, I've been keeping an eye on people; I'm in that same private group that you are. And I already revealed on a previous episode that my niche is cats. You're not supposed to reveal your niche, but I did it because I'm just an open kind of guy. I'm not asking you to do the same. But anyway, so I was selling stuff like that and so I got into the group. And then you posted this crazy, insane update one day that I could not get over. So I would like to get into the step-by-step how this all went for you, but I kind of want to fast forward to the punchline, if you don't mind. You were expecting one kind of outcome, and yet you wound up getting another.

THIESEN: Yeah, in a huge way. First of all, you kind of surprised me. I didn't even know you were the group, so you sort of popped out of nowhere.

WOODS: I'm quiet. I'm a lurker. I'm quiet, but I'm there. I'm one of those creepy people.

THIESSEN: Yeah, like from the background. Yeah, so that was kind of icing on the cake, like, *Oh, and then Tom Woods congratulated me.* So that was really fun. But yeah, the punchline is I had a crazy – so I started this ecommerce website, and then a few months later I did almost \$35,000 in sales, like probably four months later, which is just mind-blowing to me because I started thinking like, okay, I'm having a baby – I'm having a second baby. I'll start this, and this'll be a good way to get a little bit extra income, a little bit of padding for some extras. And that's how it started. The first month it was like, okay, like I just happened to be profitable. I'm making a profit. This is great. And then the next month it was like, \$5,000 in sales. Okay, well, that's great. And then the next month it was \$15,000 in sales. And I was kind of like, okay, what's happening here? And then the next month it was \$35,000 in sales. So that was a little impossible to wrap my head around kind of, but in a good way.

WOODS: Yeah, I would say so. That absolutely amazed me. And the thing is I'm so glad I'm in that group because I wouldn't have known you'd been having that success. I'm going to be talking in a minute to a guy I met for the first time at my 1,000th episode event in Orlando, and he showed me a screenshot on his phone. He said, "Oh, by the way, thanks for introducing me to this program because here's what I sold in the last three months." It was \$67,000. But then when I got home – I said to him, "You've got to send me that screenshot." What is wrong with you people not telling me what's happening? So I had him send me the screenshot. When I looked at it more closely, almost all of the 67,000 was in the past month. It was really just one – He'd been working on it hard for the last three months, but really it took off in just one month. And I would not have dared to promise that – and I never did promise that. It's possible – but there it was.

THIESSEN: It is possible.

WOODS: Yeah, that's amazing to me.

THIESSEN: And that's kind of the crazy thing, yeah, and it's just a crazy snowball. Every day, it's – I don't want to say it doubles, but it just kept going and going and going, and I was like, *Oh my goodness, what is happening here?* And I didn't really tell anyone what was going on and I hadn't really shared it with anyone because I kind of thought this is unreal. This isn't really happening. This isn't my store. So for him to be working on it quietly, I get that.

WOODS: Yeah, and I get that too. And not only that, but when you go broadcasting this publicly, suddenly everybody wants to borrow money from you. You don't want to be in that situation, so there is also that.

THIESSEN: Right, or some people [inaudible].

WOODS: Now, when you give us all these numbers, I know it varies, but how do we process these numbers? These are sales numbers, but people could make that much in sales and still be making a loss. So how do we figure out how well you're doing, if you don't think I'm prying too much? Like what's profit out of that?

THIESEN: Yes, I understand. And it can be tricky because people do promise these huge numbers and then it's like, well, but how much did you actually make? And so it kind of varies a little bit. It's kind of up and down. But what I'm shooting for is – I would say average I get about 20% profitability, which is not great, but it's not nothing either. So I'm happy with that number, and there's always little tweaks you can do to make it higher.

WOODS: Right, and I see all kinds of discussions about that in the group. I mean, I went through the material and I learned the stuff, but my gosh, if you want to keep optimizing and improving, there's really no shortage of tactics you can use. So you can always have something to be working on, in other words.

THIESEN: Absolutely. It's really time is your only constraint at that point. I would think there's probably a limit somewhere, 30, 40%? I can't imagine you could be more profitable with this business model necessarily, but like I said, it's not nothing.

WOODS: Now, let me repeat something you said. "I started this ecommerce website." Now, already those words are making people think, *I would need a PhD in engineering to do this. I don't even know what she's talking about.*

THIESEN: Uh huh. Nope, part of the reason I really like this program, because they said, *Here are the instructions. Follow these instructions. Don't do anything else. Only do these instructions.* And I thought, *Okay, I can do that.* So I mean, I have a little bit of knowledge just in general about different website things, but this is my first ecommerce website so I really didn't know what to do. And Facebook ads, which are 99% of my traffic and where all my sales come from, I really did not know anything about Facebook ads, so that was the bulk of the learning for me.

WOODS: Right, and then optimizing the ads. I keep giving examples of things that as a newbie you wouldn't know unless somebody told you, like you scale your ads gradually.

THIESEN: That's right, yeah.

WOODS: Not all of a sudden and in crazy numbers. But also, can you say something about lookalike audiences and the extent to which they've been part of your business?

THIESEN: Absolutely. I didn't even – I mean, I had heard that term maybe tossed around, but I had no idea what it meant. Prior to doing this, I had run a couple different Facebook campaigns for my day job, but they were just general, like, I don't know, *Here, like this page.* So not very effective at all. And then when we started this, I started learning about optimizing ads and audience placement and who to target, and then I discovered lookalike ads, which is really the secret to scaling. So you have ten of your customers that come to your website that you have served ads to and maybe they make a purchase. So you have ten people that purchase something. Well, then you can tell Facebook, *Hey, see these ten people? Find me like a million more people like this and serve my ads to them.* And they do and that's really where the money is, to me.

WOODS: Yeah, so Facebook tries to find people who more or less match the demographic profile of people who have bought from you in the past. That's amazing. I mean, could you imagine in the past – 50 years ago, marketers would have slit their own grandmothers' throats for a tool like that.

THIESSEN: [laughing] Yeah, I mean, you're literally saying, "This is my target customer. Go find them." And Facebook says, "Okay, we will."

WOODS: Amazing. I mean, that was people's whole job in the old days, but here come the robots doing it better. Now, you said "my day job," so you're telling me you've done this while also balancing a full-time job?

THIESSEN: Well, I've gone part-time, so no, so now I work part-time at my day job.

WOODS: Now, is the part-time because of the baby or is the part-time because you're doing this other thing?

THIESSEN: Both, yeah. I mean, I could – yeah, both [laughing].

WOODS: Do you ever imagine that this could at some point replace even the part-time job?

THIESSEN: Oh, absolutely. I just kind of like my part-time job, and that's the only reason I went back, is because I like it. So this definitely could replace that and that would be really great too.

WOODS: Do you enjoy ecommerce, or is it just drudgery that brings in a lot of money?

THIESSEN: No, I really enjoy it. It's a lot of fun to see – The thing I really like about it is when you have a few sales and you start getting some traction, you can really see almost overnight how changes affect your business. So you change an ad placement and then you could see tomorrow or maybe in a couple days how that has changed. So it's really like a game and a strategy and then you can see instant results, whereas other ways of making money online, you kind of have to wait and guess and hope and it takes a lot more time.

WOODS: Let me just conclude with this: this is how I would be if I had a full-blown ecommerce store that I was really – because as I said, I started doing it, I became convinced that it was workable, that it made sense, I made sales. But I'm only one person. I'm really a one-man show and I have to balance everything I'm doing. So if I had a full-time ecommerce store, the first thing I would do in the morning is check to see how many sales I made while I was asleep. Do you do that?

THIESSEN: I get notifications all day, so that's kind of fun. I usually check as I'm going to sleep because then the number is bigger [laughing]. Sometimes you might wake up and it's still zero and it's like, eh, okay.

WOODS: Yeah. But that is nice. You can go, *Ah, I had a nice day*. That's really amazing. Well, there's a lot more to ask about, because I could ask about how you

choose products and stuff like that, but I just wanted to with this conversation convey to people that this is a real option that a lot of people exercise, and you're not somebody who had any particular background in, let's say, sales, marketing, websites, web design, payment processors, any of these things. You just followed the instructions. You followed as they call it the path of least resistance. And here you are doing really great.

THIESSEN: Yeah, that's exactly right. And Tom, I kind of owe it to you. On your podcast, you said something like, *Gosh, I just want to be the master of my own domain or something, so I'm going to try it.* And I thought, geez, if Tom's going to try it, I'd better try it. So you're the one that tipped me over the edge.

WOODS: Oh, that's great, that's great. Well, if you feel morally compelled to mail me a check, I'm not going to refuse it, but —

THIESSEN: Right [laughing] —

WOODS: All right, well, listen, thanks so much for your time today and continued good luck to you.

THIESSEN: Thank you, Tom.

WOODS: All right, finally, I want to talk to David Leddy — there are others, by the way, but I just thought three is a magic number and we're already going kind of long today. So David Leddy is a guy I met at the 1,00th episode event, and we'll talk about that actually in just a minute. David, thanks for being here.

LEDDY: My pleasure, Tom. Nice to be here. Thanks for the invite.

WOODS: I just told my previous guest that I met you at the 1,000th episode event. You're friends with Galen, who's gone on the Contra Cruise with us, and you came up and bought a book — which I now feel perfectly at east taking your money because I know you can afford it based on what you showed me. And you said, "Do you remember your episode with Steve Clayton on ecommerce?" "Yeah, of course." And then you showed me — you pulled out your phone and you showed me the screenshot of how you've been doing. And I thought, *What the heck? This is unbelievable.* It was over \$67,000 in sales over the last three months. And then I said to you, "Send me that screenshot." So you sent it to me. And when I looked at it more closely, I noticed that almost all of those sales are really in the past one month.

LEDDY: Right.

WOODS: So I want to ask you a few of the same things I just asked Amy. So first of all, when I'm looking at some just preposterous number like \$67,000 in a month, how do people figure out — well, you could have made a lot of sales after spending 100,000 on ads. How are you actually doing? Is this a going concern, as they say?

LEDDY: Well, yeah. You've got to keep in mind I opened the store in April and I basically didn't have any success. I tested about 100 products. The nice thing about

the way we do it is that you're never really in for much capital investment. I think the max I had in that whole process was I was down a thousand bucks at one point. But the whole concept is you're looking for a winner, you're looking for a winner. And then I found a winner at I guess it was the beginning of August and it took off. And because you're looking for that winner, it's sort of like built in that when it does happen, it's going to be profitable to some extent.

And then to my case, it's taken off. My net margins are between 25 and 30% and it's going, and I have designed a pretty large audience in terms of a niche and the product that Facebook is going to sort of aim towards exploiting. And so hopefully it goes a long way. But it's only been a month, and it's been great so far, but that could change. But keep in mind it was four months when it was dead, and I just tested 100 products and I wasn't moving anything, so that's a little disconcerting but I stuck it out and it's working so it's nice.

WOODS: Yeah, that's the thing. They keep saying, "Keep looking for that winner," and people say, *Eh, forget it. I just don't want to bother.* But you just said, *No, I'm going to make this work,* and then when it works, does it ever. But meanwhile, while you're testing different products to see if they're going to sell and if they'll be profitable, you are also at the same time becoming a real expert on a lot of important things, not least among them Facebook advertising, which can be very lucrative if you know what you're doing.

LEDDY: Yeah, absolutely. So in that four-month process, I'm getting better at understanding how Facebook advertising works, I'm improving my website, just building a general understanding, so when things do happen, I'm there ready to go. So that's one nice thing, is in that four months before I had success, I was setting things up and making mistakes and testing the system, whether I was doing it purposely or not, so when this did happen, I had this system that's pretty streamlined and it's almost too easy based on the amount of sales. It's nice.

WOODS: So there must have been a day where the sales were considerably larger than you'd ever had and when you looked at your phone you said, "Whoa, whoa, whoa, what the heck happened today?" Was it an experience like that?

LEDDY: Yeah, similar. I think it was more like, when I first started advertising this product, the relevancy scores were through the roof, which led to the big sales. So that was followed up, but it was more like the excitement of when people first started seeing the product even before it started selling. So that was like, whoa, that's pretty crazy. And then I used some of the resources that I had through the 100K Factory to say, hey, how do I deal with this and how do I handle it. And then yeah, the sales came after that. The price of the product, it's a little bit more of an expensive product than we were used to, so that probably delayed the sales right off the bat, but it started to happen. So I don't know, I hope that answers your question.

WOODS: Yeah, it does, but tell people what is a relevancy score in Facebook ads.

LEDDY: So a relevancy score is when you have an ad on Facebook, it's how people that are actually seeing the ad or experiencing the ad are interacting with it. So if they're clicking on it, looking at it, pausing, or watching the video. It's sort of like how

relevant your ad is to the audience that's looking at it. So to take an extreme example, if you were showing golf club advertisements to nuns, that wouldn't be very relevant so you wouldn't get any good feedback. But if you started showing golfing equipment to golfers and the ad was good and the pictures were good, then the people that are seeing it are going to interact with it, and Facebook knows that that's happening, so it ranks your relevancy score between 1 and 10, and obviously it's more relevant to the audience.

And it's also important because Facebook wants their users – and again, I don't work for Facebook, but this is just stuff I gathered from this experience. They want their users to have a nice experience using Facebook, so the more relevant your ad is, the less the Facebook user even knows they're seeing advertisements because your ad is so tied into what they like and what they're into that it's almost a streamlined event. So the higher your relevancy – the better your ad is designed to be relevant to the people who are seeing it, the more that Facebook is going to – it's going to rank your relevancy higher, but it's also going to reward you in other ways, like making your advertising cheaper, etc. So that's sort of how I understand it.

WOODS: You know, I recently told a story about something I did in the cat niche that gave me some success. I started using video ads, which I've found to be very effective, little video clips of the product. But also, I was pitching the ad to people on Facebook who belonged to cat video groups, so I knew they liked cat videos. So now I'm showing them a video of a cat, a joyful cat playing with my product that I'm trying to sell to them. And that ad looks to them like another cat video. In other words, they enjoyed watching my ad, and so no doubt that helped with my relevancy score. I don't know why that took me so long to realize: pitch a cat video ad to people who like cat videos. They won't even feel like they're looking at an ad. So it's just as you say, you make it congruent with what their interests are.

Now, tell me what your background is in terms of employment. What have you been doing?

LEDDY: Okay, well actually, I was a history – I'll give away my age. I was a Dartmouth '88 history major, so we have that in common, although I never pursued that. I actually went into finance. So I have a finance background, and that was sort of like my mainstay and after some changes in my career or whatever, I came across this. I was doing a job last year that wasn't particularly cut out for me, but it did involve a lot of driving so I had a lot of time to listen to all your shows. And ironically, this Steve Clayton show, the headliner didn't interest me that much, so for the first month, I didn't watch it. But then I ran out of all your other shows, so I was like, eh –

WOODS: Right, so, *All right, what the heck [laughing]?*

LEDDY: And by the end of it, I was like, man – and without your sort of stamp of approval, there's no way I would have gone down that road, so it's a good story.

WOODS: Yeah, I'm really, really glad it worked out. And I mean, I've gotten to know him – I had known him a little bit before that and I researched him, and he's one of the few people in this area whom everybody seems to like, which I thought, he's like the Robert Higgs of ecommerce. Everybody likes him. The equivalent of the Cato

Institute likes him; the Mises Institute likes him – that's what I mean. Basically everybody likes the guy.

So I thought, what the heck? I didn't have any experience in ecommerce, but I've basically been reading about all the major ways people make a go of it online. This is a significant one. And it fits in with the overall narrative of what's going on in the world where traditional retail stores are just getting the stuffings kicked out of them. And yet on the other hand, a single individual with very, very little to no capital can just open a Shopify account and have a store running? This seems so 2017. It's so out of science fiction or something that I thought, I want to see about this.

And so I'm glad that I have all these success stories. I can't even fit them all in, basically. I figured I would pick three people. And when I met you at the 1,000th episode, we had never met before, right? Have we corresponded at all?

LEDDY: No, nope, not at all.

WOODS: All right, so we've had no connection, and out of the blue, this guy I've never met before who I didn't even know listened to the episode had that kind of success. I thought, all right, that's it. You are coming on the show. So what would be – again, I do want to emphasize this. You had that background, but you hadn't created ecommerce stores or anything like that before. So how hard is it, how easy is it? Is it somewhere between hard and easy? Is it insurmountable for a beginner?

LEDDY: Well, I don't have much of a technical background, but I mean, I go on the Internet a lot and stuff. I think if you have the time and the ability to concentrate, it's not particularly difficult. It does take some effort in terms of getting your head around the Facebook stuff and the Shopify stuff, but it's all fairly user-friendly. But on the other hand, it's very powerful, which means that there's a lot to learn. But like I don't know anything about coding. In fact, the only coding I've ever done is through this project and direction from the guys at 100K. So I'm not a particularly technical savvy person. So it's doable, but it does take some time and it does take some concentration.

WOODS: Yeah.

LEDDY: And you know, you have to be able to deal with some disappointment if your initial test products don't work out.

WOODS: Yeah, so it's not get – the funny thing is, on the one hand, people aren't interested in get-rich-quick schemes, which they shouldn't be. But then on the other hand, if you say to them, "Now, this thing, you've got a good shot at making this work, but you're going to have to put some effort in," it's like, *Oh, no, this is too much work*. Well, which one is it? I mean, either you want get-rich-quick that involves no work but also no return, or it's going to be something that does require some upfront work but it can give you a nice return. And I'm much more interested in those.

LEDDY: Yeah, and sort of like you said, there's no capital involved, so that's crazy there's no experience. So actually, I listened to your interview with Mr. Bly the other day who's the copy guy –

WOODS: Oh, Bob Bly, yeah, he's great, yeah.

LEDDY: Yeah, and he mentioned that that guy stormed out of his seminar once because he didn't believe that you could make money doing copyediting, copywriting. Do you remember that part of his story?

WOODS: Oh, yeah, yeah. *You couldn't make \$85,000 a year. You're a liar.*

LEDDY: Yeah, exactly. And again, it does seem a little crazy, but yeah. And there's a lot of stuff on YouTube, a lot of advertising on YouTube that I think any normal person would be very skeptical, but at the same time, it's doable.

WOODS: Yeah, and of course, there are plenty of people – as Bob says, there are plenty of liars out there, but when it comes to e-commerce, one thing that you know is a ton of people are already doing it. This isn't some crazy thing from out of left field that somebody invented. Shopify is a website that exists, and I don't know how many stores are on it, but people do it all the time. But most of them do it without any real background as to what they're doing, and they populate it with a few products and it doesn't work and then they just give up on it. But if you know what you're doing, you can actually make a go of it.

Now, before I let you go, let's try to explain to people why we're not telling them what your niche is or what the products are, because this may seem weird. *Wait a minute. I want to go investigate this for myself.* I get that. That makes perfect sense, but I also don't want to undermine everybody's business model. So why would we be reluctant to do that?

LEDDY: Well, I guess it's because the barriers to entry maybe in this kind of thing are pretty low, and it's sort of natural to see other people's success – I mean, that's one of the things you do. You see who's succeeding with what type of products and how can I put together something and copy that. So there is some kind of proprietary protection of the things you're having success with, because they're very easy to replicate. And my website has a particular niche that I'm advertising to, and I want to protect that as long as I can. So it's not going to last forever, but it's proprietary in that sense. So does that make sense?

WOODS: Yeah, it does. It does. And then when I was off the air with Amy just now, she was saying that another reason is Facebook has a very precise algorithm for delivering your ads to just the right people, and if you go gawking at her website, it's going to screw that up. It's going to start delivering her ads to you, and chances are you're not one of her buyers. So she basically said she told her husband, *No, I don't want sightseers coming to my website. Leave me alone. I want just my people so that Facebook has a clear understanding of the people to send the ads to.* Very smart. Very, very smart.

LEDDY: Sure, absolutely. And she might be more – Yeah, actually, I'm going to look into what she's saying because I don't actually understand that – I understand what she's saying, but I don't understand the technical process of that, because from what I'm aware of –

WOODS: But like re-targeting visitors.

LEDDY: Right, right. Well, I don't think Facebook knows who goes to my website unless they're sent by Facebook, but who knows?

WOODS: Yeah, that's true. Yeah, yeah, and then really, the issue – Well, but see, with my website, because I've got the pixel in there, I can actually make a list of people that I can send ads to of people who have been to my website in the past 30 days. I can actually create a list of those people. And I sometimes at Thanksgiving for Black Friday, I pitch Liberty Classroom like crazy to people who have gone and browsed there in the past 30 days and I make sure they get the ads.

Well, anyway, I hope you continue to have success and that you'll share it, because I mean, that's just amazing that you had a month like that and that it just kept coming and coming. I mean, you had days where thousands and thousands and thousands of dollars were coming through. It must have just seemed unreal.

LEDDY: Yeah, I would say it's a nice surprise. I mean, I did have faith that it would happen sooner or later, but I didn't think it would happen to the degree it's happened. But it's nice, so it's a nice experience. So I have to say thank you for having Steve on and for teaching people this kind of stuff. It's really good.

WOODS: I'm really glad to hear about it. Thanks again for your time today and continued good luck.

LEDDY: All right, thank you, Tom. Take care.