

An Interview with Linh Tang, Entrepreneur, Author, and eCommerce Extraordinaire

Hello, my name is Lon Safko, co-author of *The Social Media Bible*, published by John Wiley & Sons, the largest book ever written on the subject of Social Media. And today we're here with Ling Tang, President of *Beyond Ideas*, and author of two books on eCommerce and eMarketing, *Launching Your Yahoo! Business* and *Succeeding At Your Yahoo! Business*, both my Pearson Publishing under the Que label, and I've actually published one book under the Que Label, as well.

And we'll be speaking today about Social Media, search-engine marketing and eCommerce. So let's get started!



LS: Linh, hi.

LT: Hey, Lon, how're you doing?

LS: (Laughter) Pretty good. You can tell the listeners a little bit about who you are and what your background is?

LT: Yeah, definitely. My name is Linh Tang. I'm the author of the Que Publishing's *Launching Your Yahoo! Business* and *Succeeding at Your Yahoo! Business*. It's two eCommerce books on how to use the Yahoo store to build and market the online business. And I'm also currently the Founder of *Vcentives*.

LS: Vcentives?

LT: Yeah, what Vcentives does is we help online retailers acquiring customers without any risk and with zero acquisition costs, which we can get into later.

LS: Okay, well that sounded pretty good. So you've been doing business online for a long time now?

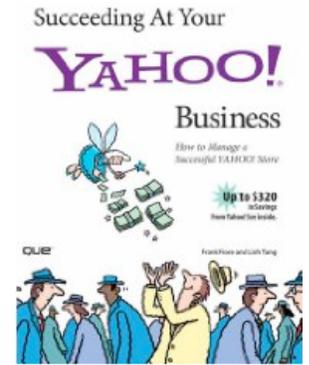
LT: Yeah, I've been doing it for, gosh, over 10 years now, and it's been fun. I started in web design, web development and got turned on to doing eCommerce and online stores. The idea was to be able to, someday, sit on the beach and just watch the orders come in.

LS: (Laughter) that's pretty cool. Do you have any companies where you can do that now?

LT: Yeah, I've got a couple of websites through www.vCentivesMall.com and www.PaperModelsonline.com and I've got another online store that we just launched, called www.officechairsoutlet.com.

LS: That's pretty cool. Now I do have to tell our listeners that we've been in business together and friends for almost 10 years, as well. And we work the *vCentives* and the *Paper Models* business together: and we kind of came up with the concept back in the late '90's of virtual electronic retailing. Linh referred to it as "sitting on the beach and having the orders come in".

Can you, Ling, just talk a little bit about virtual electronic retailing?



LT: Yeah, virtual electronic retailing is about selling products that are digital. And what I mean by that is if you could have, anywhere from, like our product is paper models. You could do ebooks, you could do documents, PDF, you could do music and a lot of digital [02:59.2] is ringtones. I know a lot of people make a lot of money doing that.

LS: Well, that's pretty good. As a matter of fact, Robert Scoble kind of Scobleized the Paper Model project, because he thought it was kind of cool and because it was virtual, but basically PDF's or electronic files. So, am I correct to assume that when a customer comes to the website it's 100% automated.

LT: It's automated and what they do is they'll come in and if they like that product, if it's software or if it's music that they'll go ahead and download it and the system takes care of itself. The credit card processing, everything gets automatically charged, the customer get the product immediately so they can download immediately, there's no intervention. So once you create the product it's just continuous income.

LS: So, in particular, the *Paper Model*? What kind of a product is the *Paper Model*? Who uses it? What is that?

LT: Our *Paper Model*: we specialize in replicas of buildings and monuments and even, you know cars. Our main customer's the education market one model that made our site popular is "California Missions". We've had a lot of fourth-graders who have to come in and build that for their school projects; they come to our website, download it, print it out on a computer and within the next 30 minutes to an hour they have a replica of that particular model, the Mission.

LS: That's pretty cool. What else is included besides just the actual model itself?

LT: The model comes with a little bit of history and some instructions on how to build the model. Now the history is perfect because with the 4th-graders not only do they have to build the model, but they have to study it and learn about it and answer a few questions on the history of that particular Mission for the school project.

LS: Okay, so let me get this straight so that the listeners can completely understand it. The store is 100% virtual which means that it's online, there's no office space, there's no employees, no manufacturing, no shipping, distribution, no hard costs whatsoever and the clients can go in 24/7 anywhere in the world, plug in a credit card and download school projects, like the California Mission, instructions, photos, history...everything there is complete and, basically they can even write their report, all for \$9.95, under 10 bucks and they never have to leave their homes.

LT: Exactly! And that's the beauty of electronic retailing. Once you create the product, it's there! People continuously come and purchase your product, unlike EBay, or if you're going out to selling digitalized, you continuously have to take pictures, upload to your store and once you've sold that particular item you have to go find new products. So this is actually 100% virtual, once you create the products, you're done!

LS: So, after the cost of developing the product, it 100% profit.

LT: Exactly!

LS: Yeah, that's pretty exciting. And is the *vCentives* thing kind of the same concept? I mean, can you tell us a little bit about *vCentives*.

LT: Yeah, what we do is we work with all our retailers and, say for example you've got a store. What you do is we work survey companies to promote your business. So a survey company will have survey participants. When the survey participant's goes through a particular survey, we'll go ahead and give them a virtual gift certificate, which then they can go into *vCentives.com* to redeem it. And we'll have a handful of online retailers on that particular virtual gift-certificate mall.

So, once the surveyor-participant's are armed with this, say, \$10 gift certificate, they'll go to our store, redeem it with that particular on-line merchants gift certificates, and then now they'll go to their online retailer to make that purchase.

LS: Wow. Okay, so let me just summarize it, if I could, so I better understand it. We basically are supporting survey companies by providing their incentives. People take a 20 minute survey and they get a \$10 gift certificate. And then they can actually cash that in in a virtual mall, a bunch of stores, a ton of stores that you put together. They can shop in anyone of these stores and just cash in their certificate. And basically, again, it's 100% virtual on our perspective, but for the customer, the mall store owner, aren't you really talking about replacing cost of customer acquisition, really, for about \$10?

LT: Exactly! There's no cost of acquiton for the online retailer because we do all the work. We provide them with the customer and we provide the customer with the gift certificate. So doing online advertising with *PaperClick*, *onlineBanners*, there are some costs there! And the costs of a customer acquisition are constantly going up, because they have competition online. So what we do is, we take out that risk completely, so it doesn't cost the online retailer's anything. So really what you're looking at is zero acquisition costs, because all you have to do (the online retailer has to do) is us the gift certificate and we'll send them the customer.

LS: Geez! So when you look at average industry cost of customer acquisitions of \$152 for a credit card, \$239 for DirectTV, \$400 a new car, \$980 for an RV, \$2,000 for a new home...that's the cost of customer acquisition...you're telling me that in the stores you're actually driving, not just traffic, but guaranteed buying customers. Now for \$150 or \$250, but for \$10!

LT: Exactly, it's guaranteed customers. Some are participants, and they've been use to spending anywhere (like you said) from \$10, \$20, \$30 for customer acquisition. Because if you look at the *PaperClick* model these days, you are paying anywhere from \$1 to \$10, or even sometimes higher, \$80 per click-through. And within those click-through's how many click-through's do you need to acquire a customer?

Now what we did is we took that completely out. We're going to give your gift certificate to a survey participant and they're going to go and place an order.

LS: See, that's exciting! That's what I love about it, and you mentioned an interesting statistic. Most people, when they think of *PaperClick*, every time somebody clicks on a sponsored link the owner of that link is paying \$1 or \$5. But in fact with some of those higher paid links every time someone clicks on it, it could be as high as \$75 or even \$80.

LT: Right! And it's not even guaranteed if it's a click-through; it's a targeted click-through but, still, there's no guarantee that someone's going to order anything.

LS: So you're talking about conversion, as well. You're not just driving traffic, but you've got almost 100% conversion.

LT: Correct! Anybody can drive traffic, but what we're doing at *vCentives* is we're driving orders.

LS: And if you don't have a paying customer, for some reason the customer decides not to buy, then because it's a virtual certificate it never gets cashed in. So there is zero risk for the shop owner.

LT: Exactly! The shop-owner's gift certificate sits there until somebody actually goes in and actually redeems it on their website.

LS: So that's what you mean by "no risk"?

LT: Exactly.

LS: Geez! I love this!

LT: They have to go in and redeem it and make a purchase. So the online retailer gets an order, makes a profit, and potentially has a chance of a repeat customer; sell back, or sell again to that particular customer.

LS: For every \$10 certificate that's given out, what's the industry average of the amount of money that somebody spends when cashing in a \$10 certificate?

LT: The average varies with case studies we did and for every \$10 gift certificate the average order was \$37.

LS: Geez. So you got a 300% rate of return even if somebody doesn't buy?

LT: Right. And you've got to remember not only is that online retailer making money, but they didn't pay anything for advertising. We did all the work for them.

LS: So you've got to love the internet! You've got to love the *vCommerce* stuff. Geez.

LT: Oh, yeah, especially if you know the online marketing channels, you can really make a profit on line.

LS: Geez. Well, and speaking of click-through, I know that your background has been pretty strong into SEM, where in *The Social Media Bible* that's a chapter on SEM which, of course stands for *Search Engine Marketing*, which mostly translates to *PaperClick*. What can you tell me about it? What's your experience of working with SEM?

LT: Well, first SEM marketing started with optimizing your website and doing link building. But with Social Media I believe it has taken the corner. Now what I mean by that is now it incorporates blogs, videos, RSS, social networks, alerts. Now, with the limited time people have, they don't want to come visit your site every

day. But what you can do is feed out your information to all these other networks. I call it “The Mall”. Why do you want to be at “The Mall”? Because everyone else is there.

Why do you want to be on *UTube*? Because everybody else is there. Why do you want to be on *FaceBook*, on these blogs? Because everyone else is there and reading it.

LS: That’s a good point. So basically, really, Search Engine Marketing; the *PaperClick* philosophy, that’s something you still have to do, but really incorporating Social Media is where you are going to get your “bang for your buck”.

LT: Exactly. Now everybody can get traffic to their website. You can do a little bit of Search Engine Marketing, but what happens when they’re there? Now Social Media tools, such as video and blogs, give your potential customer’s added value, added information. Like, for example one of the websites I’m working on is Office Chairs Outlet. We did a product demo of one of the chairs, just as if you were walking into the showroom and getting a demo from a salesperson. Now, all the other websites out there have a little description which they all get from the manufactures anyway. But here, we are actually doing a demo for you. So you don’t even have to sit and read the page of descriptions you could actually just sit there and watch a 30 second video of how that chair works ,how that chair operates and how ergonomic and why it’s the best.

LS: So you can go to *UTube* and actually just see those demos as if you were in the story?

LT: Exactly. Now with *UTube* you can put your link, your URL; your website information on *UTube*. So, if anybody went to *UTube* you could build; go back to your site for further information. So the beauty of *UTube* is you can often imbed that video onto your website or blog. So you don’t have any expensive streaming or hosting fees.

LS: Okay, so your transfer rate, the amount of data that you are transferring out of the site won’t exceed your minimum amount, generally. So you don’t have to pay extra, even for the feed, because someone else is actually paying for the bandwidth?

LT: Exactly! You do not have to pay the high cost of bandwidth with the hosted company. Editing, office fees, the streaming, the bandwidth is sent from these sites such as *UTube*.

LS: See now, that’s a great example and I think that’s a thing that’s kind of scaring people. *The Social Media Bible*, when you look at the Social Media ecosphere and see how many different companies there are, I mean for the book I’ve identified over 150 major players in this space. And it just gets a little bit overwhelming for most people especially when they are starting out.

You gave a really good example of using that video. But if somebody has a website and let’s suppose they hired you as a consultant and you sat down with them, what would the process be? How would you know where to begin?

LT: Yeah, you’re right, Lon. The Social Media ecosphere is huge. There’s a lot of tools out there and what you should do is really sit down with a Social Media strategist to see, “What’s your first step?” is it doing video or is it just doing a blog? And we’ve seen success with just doing that. With blogs you can blog about anything. You can blog and it doesn’t have to be just about your product only. And that’s what was going on

with Search Engine Optimization. It was that you were just “optimizing” using your website for your information or your key words.

But with blogs you could talk about it. You could talk about the Presidential campaign and, for example, the office chairs. We could say, “Hey, this is Blogabama’s favorite chair and this is the way he uses it at his office.” And you could potentially get millions of people come to your blog reading about that, and they’re now seeing some of your products and services.

LS: Well, that blog thing is.....

LT: The key of blogs is it doesn’t have to be only a particular topic. It should be related but it doesn’t have to be specifically on your product.

LS: Okay, so like with Search Engine Marketing you’ve got to go out and you’ve got to buy specific key words for every single page which you’re trying to drive traffic to. But here what you’re really doing is creating an open discussion, loosely, on the subject matter.

LT: Exactly. And that’s more “key words” rich. You’re not limited to your 10 or 50 or 100 key words, but now it’s pretty much unlimited.

LS: Yeah, that’s the beautiful part. And here’s the question I love about Social Media. What does it cost to create a blog?

LT: It’s free. You can go to www.wordpress.com and create a free blog, and they also have built-in templates and widgets and feeds to these search engines. I’ve seen, in my first experience, we did a blog and we were seeing results on a search engine within 30 minutes.

LS: I just recently interviewed Matt Mullenweg, the inventor of *WordPress*, and I was explaining to him the power that I’ve personally seen with blogs. For example in December, to test out how effective blogs were in the search engines, I did a blog about the Subway vs. Quizno’s, and if you’re not familiar with that. Subway sued Quizno’s because Quizno’s ran a contest and their customers created some commercials that did not make Subway look very good. And the winner was supposed to get \$10,000 and it would become a national commercial.

Well I wrote a little blog about that in December and the thing that absolutely amazed me is what I got from the moment I hit the “publish” button. I got my *Google alert*, literally, in 30 minutes. And since December if you type in Social Media Subway Quizno’s, I still come up #1 ranked on the search engine and it didn’t cost me anything at all. I mean is that the kind of experiences you’ve had?

LT: Exactly. Because the blogs have feeds and the feeds are built into the search engines, or (I don’t want to say “built in” to search engines) it’s fed to the search engines. You don’t have to wait for search engines fire to come to your website and index your site. Now, once you hit “post” on that blog, that feed is automatically set. So that’s where you’re seeing your fast results.

LS: So it’s more proactive?

LT: It's proactive. You don't have to sit there and wait for search engine's fire to come in and index your site. It could take days or even months.

LS: Yeah, when I taught SEO over the last couple of years, the average was actually between 12 and 15 days for a spider to find a new page. I sure like 15 minutes instead of 15 days!

LT: Especially if you have pressing news that you have to get out to the community right away. This is the best format to do it in.

LS: Now, doesn't all search engines give blogs a little bit of a priority, because of freshness?

LT: That I'm not too sure how the funneling works, but I've seen the blog's pages get ranked on the first two results.

LS: Yeah, well I have personal experience on the Subway/Quizno's...Okay, so definitely we want to start out the customer with a blog. What would, maybe, be your second suggestion?

LT: Well, video works. Everybody hates, nowadays, to sit there and read text. Do videos or audio; that helps out a lot. Join communities! You know, *FaceBook*, *MySpace*, those types of communities help out a lot also, because you're engaging everybody and they are aware of what you are doing, because your information's getting sent to all your friends and whoever's in your network. The main thing is "start with something".

LS: Yeah, just do it!

LT: Just do it! If you need help contact myself or Lon or any other Social Media strategist out there and ask, "What should I do? How can I start?" And if you need a more robust strategy, get an expert. But on the several blogs you could do yourself, like *Google Video* you could do yourself and *uTube*; you could do yourself.

LS: Okay, so let's take a look a blogs. I mean how much work is really involved in creating your own blog for the first time? Can the average person, who just knows how to send email and that's the limit of their technical abilities, can they actually go in and just create a blog platform?

LT: Blogs are "point-and-click". You don't need any technical HTML programming skills whatsoever. You can go on *WordPress* right now, type a "use" name/password, a little bit of information and description on your blog, and probably within five minutes you'll have a blog up and running.

LS: Really, for somebody who has...

LT: Yeah, it can be that easy.

LS: ...for somebody who's not technical?

LT: For someone who's not technical, anybody can do it.

LS: So it kind of almost as easy as creating a standard word document?

LT: Yeah, it's point-and-click. There's buttons there and say, for example, you want to write a blog; click "write"; you start typing; click "post" and you're done.

LS: (Laughter) is sounds too good to be true!

LT: And if you want to add "picture" or "video" there's buttons for that, too.

LS: So you can even put in photographs and video writing into you blog, as well.

LT: Exactly. My wife, she has not technical capabilities as far as web programming, has a blog of our kids. And she goes there and adds videos and adds pictures any time she wants.

LS: That is cool! You mentioned videos, and it seems to me that every company has some kind of video, whether their training videos, product videos, even videos of their last Christmas party. So if I wanted to upload a video, is it free and simple if I went to something like uTube.

LT: *UTube* is absolutely free. Now what my wife does is she has a video mode on her digital camera. She can actually go in and start videos of the kids, go to *UTube*, point-and-click, upload the video to *UTube*, and then add onto our blog. It's that simple.

LS: Really. Digital camera, point, shoot, connect and then point-and-click...and it's gone from the video camera right into *uTube*; and it available world-wide.

LT: It's available world wide and you can incorporate it into your blog.

LS: Yeah, see that's pretty exciting stuff! And then like you said with the office furniture, anybody who types in the name of the chair, the product number or "whatever" it comes up on the search engines and also comes up on UTube for people to see instantly.

LT: Exactly, and you could do amazing things with video. It could be a corporate introduction; it could be a product review; or it could be just about anything...your services

LS: Yeah. I love that. And you mention audio. I love doing these podcasts. We've done probably 20 or so of them, and the cool thing is that I can be in Phoenix, Arizona and yesterday I interviewed people in New York, Washington, D.C., California, and really it doesn't require a lot of technical know-how. You hook a recorder to the phone, or you can use on online service. You just record it and you upload it.

LT: Exactly. And now with audio you can add to *iTunes*; people could download to their iPod's, their MP3 players. They could take it with them when their working out and listening to it. So it's viral. If you get your content out there, people will start to download and watch it.

LS: I love that. We had Amanda Vega who talked about *CommentMarketing* and participation. And when we talked with Robert Scoble and Chris Heuer, they were talking about "listen to your customers." When I interviewed David Meerman Scott he was saying, "Make the differentiation between customers and prospects". And basically what their advice was is to kind of get out, listen, participate in blogs and participate in other people's blogs, not just your own. Is there anything you can say about that?

LT: That's a powerful marketing concept. With Twitter, with these blogs, you have to engage everybody and the great thing is; imagine if you're in a football stadium and you've got to face some guy like Matt or Robert Scoble on the microphone. Well, he's giving the microphone to everybody. Anybody can comment at any time. So that means that everybody else who's listening to them will start listening to you. It's part of the same feed. It's on the same page as everybody else. Say for example you're engaging in these types of communities or these types of followings. What happens is if you had something great to say or something interesting, they will start following you. So that's how you start building your own community.

LS: Okay.

LT: And become known, or be the expert, on a particular subject.

LS: So what you are saying is, "Go out and create your own blog and start talking about your industry, concepts and ideas and people will start to follow you." But also, don't forget to do a search and find other people that are talking about your interests and what your customer/prospects are interested in, and participate. Comment, exchange ideas and kind of "cross-pollinate".

LT: Exactly.

LS: That is very powerful because now you're leveraging the wisdom of the crowds. You're leveraging not only the blogs but all of the people that refer to those particular blogs. So you increase exponentially.

LT: And the people who are joining, or following these people, who have joined this community, also are looking for good information. And if you have something to say or something to share, that might start a following of you and participation on your blog because you have good content. Content is king on the internet.

LS: And the funny thing is is that I've also heard that theme going through all of these different podcasts. I had Benj Arriola, the 2007 SEO World Champion, and I was trying to pull out him some of the tips and tricks. And we talked about some of the technical tricks, but really what he kept coming back to, which surprised me, was that if you really want people to look at your blog and come to your homepage, and even be listed in the search engines, your content has to have value.

LT: Right, and with blogs, the great thing about them is they have built-in features for comments, as opposed to a regular HTML site, where there is no two-way communication. Blogs allow you to have a two-way communication. They could start a discussion. They could start commenting. You could give feedback. You can engage, you can answer their questions if they have additional questions. And that's how you build up a community, that's how you get people coming back over and over and over again to your website.

LS: And that's how you build your trusted network. You build trust. Is there anything else about using Social Media to promote your online business and your blogs? Any other ideas that you have to share?

LT: Yeah. There are multiple, multiple tools out there. They are anything from *uTube* and *Webr* or [28:13.8] video, another video site, to blogs, to different types of blogs, or feeds.

Just pick a couple and go for it, and do it. What happens is that people get overwhelmed and say, “Where do I start?” Just start with the blog and once you start seeing results from it, then you’ll be more excited and you’ll know that it works and then you’ll start enhancing or expanding your Social Media strategy. Go out there and do it.

LS: (Laughter) just get out there and do it! It’s like anything else. People are afraid of it because they don’t understand it. But as soon as you get out and start doing it, then you begin to understand it and you’re not afraid of it, and you took advantage of it.

LT: And here’s the thing, your competitors are doing it. Everybody else is doing it, so if you’re not doing it your customer’s are going to be reading and participating with your competitor.

LS: That’s motivation enough just to get out there, just to stay competitive. You have to do it, I guess.

LT: You have to do it because everybody else is doing it.

LS: Linh, just to finish up here, can you tell our listeners where they can find out more about you, as well as where they might be able to buy your two books, *Launching Your Yahoo! Business* and *Succeeding at Your Yahoo! Business*?

LT: Sure, you can go to www.linhtang.com and for my books you can find them anywhere from Amazon.com, Barnes & Noble.com or inside your local bookstore.

LS: So any online bookseller or any local bookstore will have them.

LT: That’s totally cool.

LS: Linh, really, thank you. I want to thank Linh Tang, President of *Beyond Ideas* for being here and sharing those really cool ideas about how to actually market your online business. And, really, Linh, thank you so much for being here today.

LT: Thank you, I enjoyed it.

LS: I enjoyed it as well.

This has been Lon Safko, the co-author of *The Social Media Bible*. Be sure to check out the other valuable Social Media tactics, tools and strategies that can be found in *The Social Media Bible* book and its companion website, www.thesocialmediabible.com. And for more information about me, Lon Safko, or to learn how I can speak to your company or help you in anyway, please by all means visit my own website at www.lonsafko.com.

And again, Linh, thank you for being here.

LT: Thank you.