

Michael Stelzner on How Free Content Can Quickly Grow Your Business

<http://www.contentmarketinginstitute.com/2011/07/michael-stelzner-interview/>

Patricia Redsicker:

Hello everyone, I'm Patricia Redsicker blogging for Content Marketing Institute, and I'm very excited today to be joined by none other than Michael Stelzner. He is the founder of Social Media Examiner and author of new book *Launch: How to Quickly Propel Your Business Beyond the Competition*, and what an exciting thought that is. We're in for a treat today.

Mike welcome to the show, thank you very much for coming, it's a pleasure to have you.

Michael Stelzner:

Patricia, it's absolutely my pleasure. Thank you for having me.

Patricia

Now Mike, I have always wanted to ask you this question more so for my benefit than anyone else. But, before we knew you as founder of Social Media Examiner, you were the king of white papers. You wrote this wonderful book, *Writing White Papers: How to Capture Readers and Keep Them Engaged*, but before that nobody really knew you. So you wrote this amazing book and you became the white paper guy, so to speak. And you've done the same thing with *Launch*. Two years ago nobody knew Michael Stelzner for social media, correct?

Mike

Yes.

Patricia

And you came from the white paper industry, jumped into a totally different industry, and now you're the king of social media. How in the world do you do these things, Mike?

Mike

(laughing) Well beyond by the grace of God, there's actually a strategy behind everything I do, and it's why I wrote the book actually. I wanted to share exactly how this kind of stuff can be accomplished.

But simply said, the way that I do it is to provide absolutely outstanding content to people for free and to partner with other people that have incredible knowledge in their brain and bring those people to whatever platform I happen to have. So it's really about great content plus other people. And that's kind of been the core underpinning of my success in the world of white papers and now in the world of social media.

Patricia

And that's really what your book is about, correct? The book is centered on this thing called the "elevation principle," and I'd like you to talk a little bit about that. Tell us what that is and explain it to my audiences who are pretty much bloggers, what the elevation principle can do for them.

Mike

If you're using content to market your business or if you own your own business, the big challenge

everyone faces today is the fact that we're being over marketed to. It's almost impossible for you and me, Patricia, to not see marketing messages absolutely everywhere we go. We've gotten to the point where it's numbed us, and we completely ignore marketing messages.

Secondly, people don't trust us. There was an interesting study by Edelman. Their Edelman Trust barometer study that showed only 1 in 3 people trust businesses, so if no one is paying attention, and they don't trust you, how in the world are you going to stand out?

And the way to do that is to focus on the needs of people; and at their core, Patricia, everyone needs 1 of 3 things, or wants 1 of 3 things.

They want access to great information, they want access to great people and they want recognition and there is one thing that is highly scalable that will allow you to provide that without taking an enormous amount of your time and its content.

At its core, the elevation principle says, "Instead of focusing on your business needs, focus on the needs of your prospects and your customers," and I've come up with a simple formula.

Great content + other people - marketing messages = growth.

If you think of your business like a rocket ship, great content is the fuel for your rocket, it's the how-to articles, it's the success stories.

Other people means working with experts who have great knowledge that you can bring to your community. These are people who have written books, people speaking at trade shows, people who are bloggers who are really writing incredible things.

And then the third thing is marketing messages. Figure out a way to take those marketing messages out of your content. Everyone hates to be marketed to, so why surround your marketing message with content. That's the essence of the elevation principle.

Patricia

And you used this principle to grow Social Media Examiner. I mean, in the first twelve months, (we've all read the stats) you made over \$1 million in just 12 months. Mike, were you blown away by your overnight success?

Mike

I knew it would work. I knew that when I started Social Media Examiner in October of 2009 that there was this pent-up demand for rich how-to articles.

By the way, we met our goal. Our goal was to have 40,000 email subscribers in 12 months, and exactly on our anniversary we got 40,000 subscribers, so I was not surprised, actually, that we were able to grow as fast as we did.

What I was surprised about was that literally when we were only 3 months old someone wanted to buy us, and since then 4 different times people have tried to buy Social Media Examiner. What I've been surprised about is all the people that have come to us wanting to pay us money to market their products

and services on our site. That kind of thing has surprised us. But no, this actually has always been my plan, believe it or not, to get to this point.

Patricia

And I guess somebody listening to what you're saying is thinking, "You had this strategy. It worked before when you were writing white papers, it worked for Social Media Examiner, if I read the book launch and implement the same strategies, am I going to achieve the same success in about, maybe not in 12 months but really quickly?" What do you say to that?

Mike

I wrote the book specifically with that objective, to help any business figure out how to rapidly grow a very loyal and repeat following that they can on top of that build a business.

Essentially, I am training businesses on how to become publishers, how to bypass the middle man, how to create stuff that's sharable in social media, how to essentially become big in your industry. But I'm not going to lie to you, Patricia. It requires a lot of sweat, a lot of effort. I worked my butt off and everybody who knows me knows that. (laughing)

Patricia

(laughing) Absolutely.

Mike

(laughing) By the way, I gave Joe from Content Marketing Institute early advice on how to do this, and he has essentially modeled Social Media Examiners' model for the Content Marketing Institute. So there's proof that it works because it's working for him as well. So I think it will work and I think it can work but don't expect that it's a magic pill and it's going to be like Alice in Wonderland. It's going to require a lot of work.

Patricia

Now speaking of magic pills or any other kind of pill for that matter, one of the central themes in the book is giving away free content. Giving away free content expecting nothing in return. And I have to say that's a hard pill to swallow for consultants, for example. They make a living by selling their knowledge and you're saying to them, "Just give it away." How are they going to make a living?

Mike

That's a wonderful question, and let me tell you when I was a consultant how I did it.

My job was to write white papers for businesses and I wrote a thing called "How to Write a White Paper," a white paper on white papers.

It was what I thought was my absolute top secrets and tips, and against the advice of my editor, I went ahead and published it anyways. In the first month I got 4,000 leads and then I proceeded to get 85,000 leads over the period of 5 years from this one paper I wrote called, "How to Write a White Paper."

I landed FedEx, Dow Jones, Hewlett Packard, Motorola, QUALCOMM, nearly every major Fortune 500 company you can imagine was lining up at my door wanting to hire me because I gave away my secrets.

3

And then I wrote a book thinking at that time around, “I gave away all my secrets,” but I went on to write enough content to write two more books about white papers.

So what I learned along the way is that no one can do it the way I can do it, no one can do it the way you can do it; by giving away your secrets you're showing the world that you're an expert.

Yes, you're empowering some people to become your competitors, but no one can do it the way you can do it, so what's the risk? The risk is that some people can copy you. But what's the reward? The reward is that you will build relationships with people and a lot of people will say “Oh my gosh, that's incredible. I don't have the time to do that myself; I'm going to hire Patricia.”

So I would say go for it, you've got nothing to lose. You've got a lot to lose if you don't go for it because I can assure you that this is the future.

Patricia

Now Social Media Examiner, as you mentioned earlier, is a commercial-free environment; you don't display any kind of advertising except when you're having the big events, the big success summits, correct?

Mike

Yes, and even when we do display that, we're promoting something that's free. For example, right now there's an ad up on Social Media Examiner for my book and what it says is, “Click here to get a free chapter,” so even when we promote something we make sure we promote something that's free.

That way it doesn't appear to be an advertisement, instead it appears to be some sort of a content promotion that we're doing.

Patricia

Now towards the end of your book you talk a little bit about the “minus” marketing messages idea, cage the marketing messages. I'm wondering: There's a lot of traditional marketers out there, when you were writing the book were you afraid that they might reject the book, your ideas?

Mike

(laughing) Absolutely not because the funny thing is that the marketers have been quick to embrace this because marketers have known for a long time what I know and what you know.

There's a reason why the radio industry is in trouble, there is a reason why the television industry is in trouble, there's a reason why magazines are going out of business and newspapers are going out of business, there's a reason why even online display advertising isn't working anymore. People are realizing that they've overdone it and they need a new way.

Marketers are actually embracing this thing, and I cannot tell you how many thousands of people have emailed me, or given me updates on Facebook and have said, “Oh my gosh, this is a way, a new way to do it.” I have not gotten as much slack as I was expecting, but I was fully expecting; I had my armor on. (laughing)

Patricia

But Mike, how do you monetize your blogs? I mean, not your blog but somebody out there who's depend on advertising. How do they monetize their blog?

Mike

Here's how you do it, in the same way Social Media Examiner does it.

You use your blog as your entry point. When people come to your blog and read your great content, you have some mechanism to get them to sign up to get more great content. So your blog is your primary channel, and your email list is your secondary channel.

So at Social Media Examiner for first time visitors, a little pop-up box comes up and says, "Would you like to sign up for the Facebook marketing video tutorial?" or "Would you like to sign up to get our updates of our great articles? As our way of saying thank you, here's a free one hour video tutorial.'

Once these people have opted in to what I call back-channel or secondary-channel, we're emailing 86,000 people every single day, Patricia and we get a 25-30% daily open rate. Inside those emails we have about a 50-word summary and a link to the day's article.

Below that we have sponsored post or an advertisement, so that allows us to monetize the email channel. One thing marketers will tell you is there's absolutely no more powerful channel than email. So there's no money in display advertising, so the real money is in the email channel because it gets delivered to peoples inboxes as often as you hit the send button; so that's how you monetize it.

Once people have opted in, once they've come to feed at your trough, and once they love your stuff and they want to opt in to get more of it, that's the channel upon which you can do some marketing. And that's where the real money's at.

Patricia

Mike, is there a specific company out there that you feel gets this whole thing, that has grasped the elevation principal and that they are successful at implementing it?

Mike

Yes, Hub Spot. Hub Spot was founded in 2006, and I interviewed Mike Volpe who is their now CMO, Chief Marketing Officer. Hub Spot does not do any advertising at all. All they have is great free content.

They do 10 webinars a month. For example, David Meerman Scott did a webinar about how "Are you managing your brand like Charlie Sheen?" when the whole Charlie Sheen fiasco was going on. They have free eBooks and they generate literally 3 or 4 new eBooks a month.

They've got an institute where they certify people for free and give them free training. All this stuff is basically constantly going on with them and they are generating 40,000 leads a month, Patricia, for their 60-person sales team.

They have grown 350% in the last year to more than \$20 million in revenue, and they just received more than \$30 million in venture funding from a conglomeration of companies including Google; so they are an incredible case example.

5

And I'll give you one other one. Proctor & Gamble is a huge corporation but P&G started ManOfTheHouse.com. What they did was they went out there and they recruited Dad bloggers. They realized that a lot of Dads are out of work and taking on new roles in the home and they are shopping.

So what they did was they recruited Dad bloggers and they built ManOfTheHouse.com as a place for the 25-45 year old man whose got young kids at home. They encourage bloggers to write articles about how to barbecue a burger, or am I too old to wear ripped jeans, or how to build a man cave (a place where a guy can play video games), and they're just writing about stuff that guys are interested in. They have more than 1 million people come into their site every month. They're nine months old, P&G has done no advertising on this, it's completely grown organically.

Patricia

Mike, talk to us about the social media success summits that we've come to depend upon for our "social media education" if you will. How do you use social media to promote these very large online events?

Mike

We do three summits a year, one on blogging in the winter, one on social media generic in the summer, and one on Facebook in the fall, and that's how we monetize Social Media Examiner.

Our mentality is that we've got 60 people who are writing for us, they all get paid nothing to do it, they do it for the exposure. People love the content that we produce, and many people say, "Well how much more value will I get if I come to one of their paid events?" So, we have these three events a year and at our last one we had almost 3,000 people attending, and because we're a new media company we do things a little differently.

These events take place online, they're completely virtual, and they're spread over a month and people love them.

We use social media in a major way to help get the word out about that. Since we've got 86,000 email subscribers and 46,000 people on Facebook and all this kind of stuff, it's very easy for us to just say, "Hey, come get a free sample class on our sales page from one of our other summits and if you really want to learn a lot, sign up."

And then we use Twitter. Twitter has this cool little widget that allows you to take any search term, and then put the widget on your website. So we usually search on something like "Social Media Success Summit," and show all the tweets that are happening in real time on the sidebar of the site which gets people excited about it.

We've got retweet buttons and Like buttons and LinkedIn share buttons at the top of the sales page. All these kind of things get people excited about it. We've got little badges that people can put up on their site that say, "I'm attending Social Media Success Summit."

We've set up private LinkedIn groups where people can come and they can socialize and network, so we're leveraging every conceivable form of social media that you can imagine to just make these events be incredible.

Patricia

On June 16th, I believe it was, IBM marked their 100th year anniversary. They've been in the game for a century, Mike, and they're still going; that kind of enduring stability is kind of hard to ignore. Where do you think Facebook will be 100 years from now?

Mike

Oh my heck, well first of all I won't be around to see it and I don't think....(laughing)

That's wonderful. Honestly, it's a great question. I don't think Facebook will be here 100 years from now, I think they will have gone out of business.

Patricia

Do you see social media being replaced by something else in the long run?

Mike

I don't know if you remember, but GeoCities was all the rage when it first came out. And remember, gosh, what's that other one that I'm forgetting that four years ago everybody was talking about as the new Facebook and now no one's even talking about it anymore....

Patricia

MySpace?

Mike

MySpace, yeah, exactly.

So I think what's unique about Facebook is they came at a time and at the place and with the technology that was right for the moment.

The internet speeds have advanced, and so many people were on it, but they didn't have this super easy way to socially connect and share pictures with family. The internet has speeded everything up, Patricia, but what it has also done is it's hurt relationships.

Facebook came along and now took the technology of speeding things up and made relationships stronger and more powerful by enabling people to share family photos or connect with old friends or share videos with their friends in a way that was exciting and fun but that didn't require a lot of time.

So the time and the place was right for that, but tomorrow, and in the future, I think that in the near future mobility is going to change all this. We see that Twitter has been integrated into the IOS operating system which means that the iPhone and the iPad will have now Twitter integrated into the core essence of its operating system.

I think we're going to begin to see phrases like social media become obsolete because it's just going to become part of the vernacular and the everyday world that we live in.

Just like print media isn't even a term we use very often now, we only use it to differentiate magazines from online stuff, but I think the word social media will be completely irrelevant five years from now because I think that you're going to see things like Twitter, Facebook, LinkedIn and 3 or 4 more that we

7

don't even know about in the next couple years are going to be so integrated into culture and day-to-day life that we're going to look back at it and say 'Oh yeah, remember when Facebook was its own website?' (laughing)

Patricia

(laughing) What happened to that? Mike, do you have any closing thoughts for our audience?

Mike

Well because this audience is so interested in content, I would really encourage you to rethink the way that you create content for your business and for your colleagues.

Instead of trying the old product marketing spin on things, which is "Here's why our product is great. Here's what its features and benefits are," I want you to step outside the box and instead ask yourself, "What do people really give a hoot about? What do they really care about?"

Start persuading your company and your clients to see the value in creating stuff that people love, that's highly sharable. That is the way to stand out today and realize that people are never going to buy a product or service from you until they first trust you and know who you are. And the best way to do that is to give them exactly what they want. So just make people the center of your marketing plan and I think you'll have amazing growth.

Patricia

Mike, where can folks find you online?

Mike

Well if they want a free chapter of the book, no registration required, go to <http://www.elevationprinciple.com/>. Just click a button, and they can read a chapter of the book. They can also find me on SocialMediaExaminer.com if they go there they can find my Facebook page, my Twitter ID and all that fun stuff.

Patricia

Ladies and gentlemen, the name of the book is *Launch: How to Quickly Propel Your Business Beyond the Competition*, and who doesn't want that, right? So pick up a copy at Amazon or wherever books are sold. Mike, thank you so much for your time, it was wonderful to have you.

Mike

Patricia, it was my absolute pleasure. Thank you so much.