



**Performance Marketing Expo**  
**September 27-29, 2010 • Eden Roc Renaissance Miami Beach • Miami, FL**

**A conversation with Stephanie Nelson, The *Coupon Mom*™ Part 2**

**Some of your competitors, for lack of a better term, as you pointed out in terms of content, they are much broader than you are. You are very specialized. But they have, perhaps, 2000 advertisers. You have ten I believe?**

**Stephanie:** Yes. Because of my niche, I'm not an online shopping site that might have 2000 coupon codes on my site. I specialize in grocery coupons and there might be six to eight grocery coupon advertisers. Now, I've had many more advertisers in the past. What I've done is I've narrowed it down to the advertisers who I think provide the most value to users, who do not share user information with any other party and who pay competitively. And then, by funneling more of my user's attention into that handful of advertisers, I become a high-volume affiliate for those advertisers and I get higher rates. And I also get preferential treatment when it comes to special marketing programs.

**Is it right that when you started personally reaching out to some of your advertisers, these weren't prospects. These were current advertisers, right?**

**Stephanie:** That's right. These were current advertisers. And I did have marketing experience in my past life, so when I came to these companies -- I remember the very first thing we did. I wrote an electronic book on my topic and gave it to the advertiser to use as an incentive for my user to sign up for their program. And we ended up having very high conversions because my users wanted my free electronic book. And my advertiser was getting a new subscriber because of that. It was kind of a creative approach. It hadn't been done before with this advertiser. I laugh now because I see other website owners doing electronic books with the same advertiser. So, you like it when you start something.

**It's creative, it's ambition, it's moxy. It's extraordinary.**

**Stephanie:** And it also provides value for the site user.

**Exactly. And for the advertiser and for yourself. So, you've created a kind of trifecta win, win, win.**

**Stephanie:** Exactly.

**Most of the affiliates, as you pointed out, they deal with a network provider. Or, more likely, they are going to the retailer with the affiliate manager. But, you've taken that next step and your approach has been to build value up the chain. It sounds a bit intimidating for a lot of people. A lot of people do not have the resources, for example, to travel around making sales calls. What advice would you give to those people?**

**Stephanie:** Well, I love that question because I probably don't have to tell you that I am really a frugal person; very frugal. When I took my first trip to see my three advertisers, I'll never forget it. I traveled to three cities over a period of two months, I think. I had three different trips and that included airline, rental car and hotel. And my total cost for those three trips was \$1400. Now, people say: "How did you do that?" Well, okay, you book your airline ticket way in advance to get the cheapest ticket you possibly can. You rent a car through Priceline, you bid a super low price and you certainly don't eat out at meals. My funniest trick is, if there is someone I want to meet with and I don't have any clout yet, then I have to pay the bill. Then I suggest we meet for coffee. But, if there is someone who kind of wants to meet with me, then I say: "Well, gosh, I'm available for lunch or dinner." (Laugh). Of course, I don't have to tell you that I eat very inexpensively.

**You picked out three advertisers for your site and you paid them visits. What did that turn into?**

**Stephanie:** Well, a couple of things. One of them is my largest partner today. What it turned into was, as I said, higher volume. Therefore, that equated to higher rates with them and it also -- there are some preferential things. For example, because we have trust established, if they had a new marketing program coming along, they would tell me in advance with confidentiality and that would give me time to draft my email newsletter so that the second the program was released, my email newsletter went out announcing it first. So, I beat other affiliates. I know that's a subtle advantage, but that is an advantage. When I used to be a national sales person, my vice president would say the litmus test is: "Will the president of the company invite you to his house for a barbeque?" Now, that's ridiculous. No president would. But, are you that good a friend with them? Well, I can tell you now the litmus test is: "If I send an email to the president of my advertiser, will he return it?" And I will tell you the answer is "yes" for all of my important advertisers. But, that has taken a couple of years of fostering a relationship.

**How big are those top three to you now?**

**Stephanie:** The top three advertisers account for 80% of my revenue. So, you want to be nice to them.

**Those are some deep relationships, yes?**

**Stephanie:** That's right. And what's nice about it is they are good advertisers for my users. And when you finally land on that perfect mix, the advertisers -- in fact, they are such good advertisers for my users that my users perceive it as content. That's when you know you are

at the right -- when your users perceive your advertiser's product as valuable content, then that's the right advertiser.

**You told me in a previous call a really great story about the 'climbing the ladder approach.' Essentially, you flew out to Chicago to meet one of your affiliate managers. Can you explain where that led?**

**Stephanie:** Well, that was along the line of developing the new marketing program. There are a couple of things. You have a real advantage when you make a visit because so few website owners do. So few affiliates actually make a visit to an advertiser's location. So, you get their undivided attention, number one. And just the fact that you did it sets you apart from everyone else because it shows that you consider them to be valuable. Secondly, it's an opportunity. The very first thing that I say to an executive of one of advertiser's is: "Thank you so much for the amount of money that you are sending us. My family really appreciates it." Now, how many companies say that? Nobody says that. It always takes them -- I want them to understand: "This is our family business. It is really meaningful to me personally that your company sends us a check and I appreciate that." And, you know, that's getting it to be personal. And I think regardless of the fact that we are all in business together, when you can have a personal relationship that is genuine, it's naturally going to be more positive and, ultimately, you'll have better results. So, in our case when I visited that advertiser and thanked the owner, we sat down and we came up with great marketing programs that we got off the ground in ten days. That's the reason my revenue tripled that year. That's pretty impactful.

**Amazing. In fact, I believe at one point you had an affiliate manager who had introduced you to someone very senior in the company and you went out to lunch together and that senior executive brainstormed a pretty interesting idea.**

**Stephanie:** Oh, there a couple of success stories. My 2009 success story was exactly that. The ideas are never done. Last year, even when I had thought that we had kind of hit the top of what we could achieve with an advertiser, we went out to lunch. My affiliate manager brought her director and just casually he said: "What would you think if we did XYZ?" And I thought: "Okay, I'll try it." Because we had spent enough time together (at that point we had probably been together three hours), that you're not on a tight agenda. You are kind of just thinking out-of-the-box and that out-of-the-box increased my revenue 20% last year. So, you just never know where these open conversations can lead. And now I've made a commitment to visit my advertisers in person four times a year; my top three advertisers four times a year because I never know what's going to come out of it.

**You've heard it folks – 20%, one idea, lunch.**

**Stephanie:** And the best part is, they paid for lunch. (Laugh).

**We recently did a podcast interview from the retailer's point of view. In fact, we were talking to Rob Gough from Finish Line. For those of you who aren't familiar with it, it is a billion dollar athletic wear/footwear retailer. He's been running their affiliate program for**

**about three years. He's grown it about 1000% in those three years. He espouses a similar philosophy, but from the other side. That is, he builds relationships with his affiliates like you build relationships with your retailers. They aren't simply numbers. He takes the time and makes the effort to get to know them. Based on your experience, is this common?**

**Stephanie:** Well, I don't think it's common. I think it's a good idea. I mean, if I were to start all over ten years ago, out of the gate I would have been going to affiliate conferences. I really try to limit my traveling because I have kids at home and I like to be home. So, I haven't been to affiliate conferences. In fact this conference, 'The Performance Marketing Conference', is going to be the very first one I've ever been to. And I am quite certain that I have missed some opportunities. I could have been meeting advertisers and retailers much sooner. Not only that, but I could have been brainstorming with other affiliates and learning a lot. So, I think a number of affiliates do that, but it is hard. If your objective is to build a good, solid relationship with your advertisers or retailers, then I would say that you want to take a step beyond that to get their undivided attention at their own location to be able to have an even stronger relationship.

**What I think is remarkable is to see the retailer doing that. Why is it important for a retailer to take the types of approaches that you're taking with your advertisers?**

**Stephanie:** Well, everything is the 80/20 rule. So, for the retailer who is looking at a long list of affiliates there are probably 20% of those affiliates that if really cultivated and developed are going to end up being 80% of the business. And people are pretty open to the idea of being creative and coming up with new ideas when they are approached. In fact, it is much easier to do that if I was approached by these advertisers instead of me having to fly to Chicago. I would have been very receptive. But, it's probably more difficult for a retailer to look at that long list and say: "Where do I start?" You might start at the top, but I was at the bottom. My numbers were very low when I was first approaching retailers. I think they were being polite to meet with me. Now, I'm pretty confident telling you that I am probably the top publisher for them. It is great that the retailers would reach out to affiliates, but most likely they are going to reach out to the affiliates with the highest numbers.

**But, it might be worthwhile for them to start scouting around a bit.**

**Stephanie:** It would be very worthwhile because as I said, the affiliate who wants the phone call is going to work twice as hard for the advertiser if they get a little extra attention.

**For those who don't know who are listening, Stephanie became a bestselling author on the New York Times' list. I understand there is an interesting story behind this. Could you share that with us briefly?**

**Stephanie:** Well, yes. The day after I was on Oprah I got a call from someone in the book industry and long story short, we ended up getting a really good book deal with Penguin called: *"The Coupon Mom's Guide to Cutting your Grocery Bill in Half."* It turned out that my literary agent was friends with the Chairman of the Board for Barnes & Noble. So, she said: "He'd like to meet with you. He's kind of intrigued by this Coupon Mom website." I went

and met with him. My book hadn't come out yet. It was coming out in a couple of weeks and he was such a nice man. I don't mean to gush, but I was ready to be intimidated and if you didn't know he was Chairman of the Board of Barnes and Noble, you would just think that he was a really nice guy who was chatty. He said: "This is so fabulous. This book is really going to help people. What could we do to really help push this book?" So, they brainstormed and they said: "How about if we send out an email newsletter the day it comes out and offer a special coupon for it to all of our email subscribers?" And I'm thinking: "Well, that would be just fine with me!" (Laugh). They sent the email newsletter out and they sold so many copies. It had a lot to do with why the book got on 'The New York Times Best Seller List.' I wrote him a handwritten thank you note. I am sure that I am going to meet with him again some day. He was very pleased with the results. He was very intrigued with the concept. Sometimes you just get really lucky. Who knew that I had known someone who was friends with him? That was just sheer luck, right there. But it does show you that -- what is it that they say? The higher you go up, the nicer they are?

**I've also heard that 80% of life is showing up. (Laugh).**

**Stephanie:** Well, I showed up. If you are summoned by him, you show up! (Laugh).

**If you had to do it all over again, what would you do differently?**

**Stephanie:** Well, if I had to do it all over again, I would do what the folks who are listening to this podcast are obviously interested in - learning and going to conferences and reading. I had a weakness in an area. I didn't understand search engine optimization. I wish that I had immediately read a book on it, gone to workshops on it, tried to learn from other people. I shied away from the web marketing that I didn't understand. In retrospect, had I just jumped in with both feet and tried to learn the things that I didn't understand, it would have gotten off the ground sooner. The same is true for anyone who is listening to this and is a programmer or a developer and doesn't have experience on going on television and speaking or giving presentations or they don't have sales experience and they don't feel comfortable calling up an advertiser out of the blue. For those folks, I would say to take a class or to read a book or try to sharpen your skills in those areas because when you are an entrepreneur, you don't necessarily have the money to hire experts to handle each one of these areas. So, you kind of have to wear all the hats.

**I think that that piece of advice right there, just like the anecdote about that lunch idea that turned into a 20% jump, could really make a difference to people.**

**If you would like to learn more, Stephanie will be sharing her thoughts and some tips on: "How to Perfect the Right Content for your Target Audience" at The Performance Marketing Expo in September, the 27<sup>th</sup> through the 29<sup>th</sup> in Miami Beach, Florida. You can learn more about Stephanie's presentation and you can also check out our outstanding line of speakers online at [www.iirusa.com/performancemarketingexpo](http://www.iirusa.com/performancemarketingexpo). By the way, I also recommend checking out Stephanie's website, which is [www.couponmom.com](http://www.couponmom.com) for some more information about Stephanie. Who knows? You may even walk away with a deal or two.**

