

How the Art of Shaving Led to a Six Figure Per Month Income – With Luke Webster

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<http://www.domainsherpa.com/luke-webster-vintagestraightrazor-interview/>

I walked into my local drugstore the other day to buy some razor blades and paid twenty-five dollars for a Gillette MACH3 8-pack. That is more than three dollars per blade. If you have ever shaved and you think you are getting robbed, you are in for a great show today. Plus, you will hear how one entrepreneur is cornering the market on shaving domain names and building an empire. Stay tuned.

Three messages before today's interview educates and motivates you.

First, if you're a domain name investor, don't you have unique legal needs that require domain name technical know-how and industry experience? That's why you need David Weslow of Wiley Rein. Go search for David Weslow on DomainSherpa, watch his interview and you can see for yourself that he can clearly explain issues, can help you with buy/sell agreements, deal with website content issues and UDRP actions, and even help you write your website terms and conditions. David Weslow is the lawyer to call for Internet legal issues. See for yourself at NewMediaIP.com.

Second, managing multiple domain name marketplace and auction site accounts is a pain. Inevitably, you forget to sign into one and lose a great domain...or worse. Now imagine using a single, simple-to-use and comprehensive control panel to manage all your accounts. That's Protrada. You can setup search filters, analyze domains, automate bidding, list domains for sale, and buy domains across all major marketplaces. Protrada also has a new semantic engine that builds Google-friendly websites with rich content and network feeds. Sign up at Protrada.com to get 20 free credits and start building and monetizing your domains today.

Finally, if you have questions about domain names, where should you go to ask them? The answer is DNForum.com. Not only is DN Forum the largest domain name forum in the world, but it's the best. You can learn about

domain names and the industry, buy and sell domain names, talk about domain name news, and meet other domainers just like yourself. Register for a free DN Forum account and begin advancing your skills and knowledge today. And when you do signup, send me a friend request so we can connect.

Here's your program.

Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name entrepreneur and investor directly from the experts. If you are tired of getting robbed at grocery or drugstores for razor blade packages costing twenty-five, thirty dollars, or more, you are not alone.

Today's guest is not only doing something about it, he has cornered the market on specific shaving-related domain names and is building an empire that a large conglomerate may come knocking for someday. We are going to learn about how he built his business and, as a bonus, we are also going to get some shaving tips along the way.

Today we are joined by Lucas Webster, Founder and Owner of VintageStraightRazor.com. Lucas, welcome to the show.

Lucas Webster: Hey, it is a pleasure to be here, and thanks for having me.

Michael: It is good to see you again. We met for the first time just a few weeks ago at Web Fest Global, down in Santa Monica.

Lucas: Yes, that is right.

Michael: So, Lucas, you have seen the show a couple times. You know that I like to start off the interview by giving the audience an idea about the size of the business that people have built before we dive into the specifics. It just sort of lends credibility and it gives people something to ground the entire interview by. Can you tell us how much your Straight Razor business earns per month?

Lucas: Sure, I will give you an example. We do about six figures in volume every month. And we are growing that. And we sell thousands of razors each month and we have an average order size of one hundred and twenty dollars an order. So, gives you an idea there.

Michael: Great, yeah. So, six figures. So, that is total revenue, right? It does not include your cost to purchase, and your staff, and hosting, and all that sort of stuff.

Lucas: Correct.

Michael: Got you. Are you willing to tell us what your profit margin is?

Lucas: I am not comfortable there, but I like high profit businesses, but this is what I fell into. So, this is what I am doing right now.

Michael: All right, great. So, your average order size, you mentioned, is about one hundred and twenty dollars. So, you are probably selling thirty or forty orders per day, roughly.

Lucas: Yeah, that is correct.

Michael: Cool. So, we spoke during the pre-interview about your websites; your largest website being VintageStraightRazor.com. Is that correct?

Lucas: Yeah.

Michael: Do most of your sales come through VintageStraightRazor.com or do you find that it is split up amongst multiple different websites?

Lucas: It is funny. If I looked at marketplaces; if I kind of aggregate all of them - Amazon, Ebay, Shopping.com, Shopzilla, and all these marketplaces out there -, VintageStraightRazor is still the largest, but the marketplaces are doing really well and they continue to grow. Even Sears.com. Sears has a marketplace, which does really well. So, as an eCommerce entrepreneur, you really need to look at marketplaces if you are planning on living in the near future because that is where things are moving. It is just fulfillment by

Amazon and selling on Amazon. So, as a domain name investor, I also acquire domain names that I think that there is a huge market there as well.

Michael: Cool. All right, we are going to dig into that because I think a lot of people think: 'I am just going to buy a great website. I am going to set up a store. I am going to list it with products. And then I am going to wait for search engines to find it and customers come and throw money at me.' And what I hear you saying is that that is not the way it has worked for you to make six figures in sales revenue per month. Plus, you are actually going out and covering all the different marketplaces. And so, we will dig into those and how many websites that you actually have up and running. But now that we have got an idea for what you have built, let's take a step back for a moment, Lucas. I always like to hear the backstory behind entrepreneurs, because nobody was able to build a six figure per month business overnight and I know that it takes time to do that, and I like to hear how people got to where they are today. How did you first get involved in running eCommerce websites or running a business online?

Lucas: I have always dabbled in it. I have never had any great success with it. I was a domainer previously, so I knew about CPC. I would not say I ever did ecommerce or brute force eCommerce probably '04 or '05. And those were just trials really. I learned a lot; I cut my teeth on it. I had a great mentor. And I actually have to give him a ton of respect and appreciation. He taught me the ins and outs and, from there, we built some unique companies together.

Michael: Who was your mentor, Lucas?

Lucas: It is just a really good buddy of mine, named Andrew. And he is a super sharp guy; really understand eCommerce. And I owe a lot of what I know and what I learned to this gentleman.

Michael: What is Andrew's last name?

Lucas: I cannot say.

Michael: Oh, I got to get Andrew on the show.

Lucas: Yeah, he is very low-key and he will not even be happy that I said that.

Michael: All right. And we spoke briefly just before, or actually we chatted briefly as I was completing my research, and you said one of your first companies was online in the '96-'99 time period. Is that correct?

Lucas: Correct. And that was more like a B2B play. And I was working a contract employee for ARCO in Alaska. They had a need for digital filing solutions. They collect tank and inspection records that we were going to have to upgrade their filing system to fireproof filing cabinets and I implemented technology. I was a database guy back then and I worked with automation. So, I was like: "Look, what we should do is digitize all these records. Then we do not need to store them on-site." It saved a ton of time and a ton of problems, so I came up with this - I think it was - eFilingSolutions.com; I believe is what it was. I wish I kind of still had the name. It was my first real online business. And that did great. We implemented a process, saving tens of thousands of dollars, and then implemented it throughout the inspection industry.

Michael: And what happened to that business, Lucas?

Lucas: So, it was like one of those things that were like a one contract project really. And from there, my brother and a partner started an inspection company. I joined them shortly - about a year - after they started it. They kind of started it from the garage; we built that up to where we were doing eight figures a year consistently for several years. And that was from like '99 to 2004. And I left the company in '04 and started doing real estate. Primarily just real estate and domain investing. During that time, at that company, I bought lots of domain names; and one of them in particular I had a unique exit on - like a six-figure exit -, and then I later on picked it back up as a drop. So, in my head, I was like: "This domain name thing is interesting. I buy this thing for seven bucks and I sell it for a lot." So, even though I was doing a lot real estate and having fun with that, I always knew that domains were something I wanted to do, and that led to DevRich, and that led to eCommerce.

Michael: Got you. Okay, so let me back up for a sec. So, you bought a domain name for seven bucks. You hand-registered it. You sold it for over one hundred thousand dollars?

Lucas: I actually traded it for about two hundred thousand dollars in inspection equipment.

Michael: Wow.

Lucas: Yeah. And truth be told, I bought the name from a band for like two hundred dollars because I really wanted the name. It was an acronym for an industry-specific thing, and now I am working on rebuilding that site. And I will probably, hopefully, exit it again for a decent amount.

Michael: Awesome. Are you willing to tell us what the domain name is?

Lucas: No, you guys will see it later probably.

Michael: All right, I can appreciate that. As an entrepreneur who does not like to talk about things until they are launched because it leads to hype and it leads to people's expectations being off, I would rather just let people see it when it comes out. I can appreciate you wanting to do the same thing. So, after you left the consulting business and the inspections business, you started dabbling in real estate and domain names. I can understand dabbling in domain names and starting to become a domain name investor because you can buy them so inexpensively. Something that may have four, five, or even six figures, to your point there, you can buy for two or three figures. But how do you dabble in real estate if you do not have a lot of money saved up?

Lucas: I was fortunate enough to have some good years with the inspection company; made a lot of good investments. I think when I finally decided to go into real estate full time, I had several rental properties. I had like thirty properties. So, I had quite a few homes and raw piece of land, so it was just prime time. It was like '03/'04, when I was really like: "I am just going to get my real estate license and just flip houses on my own, and save myself the commission." It was fun. I actually had a partner. She is like the most

successful realtor in our area and she was just a really great partner, and we hit it off and we flipped a lot of houses.

Michael: Nice. And so, do you still own a bunch of rental properties today?

Lucas: I own one. I own one rental property and I am glad I own it. It is just in a unique area where they are supposedly expanding a college. So, I am going to keep that. But beyond that, I exited everything. I think the last place that I sold was late 2007, so I did all right.

Michael: That was perfect timing, right?

Lucas: You knew it was coming, right? I mean it was like--

Michael: Well, I did not know.

Lucas: Well, if you were in the industry, and you knew the lending, and you knew how things were starting to tighten up and money started, it was just a matter of time before people are not buying five or six hundred thousand dollar houses when they are making eighty grand a year. It just does not work out.

Michael: Yeah, the math does not work out. And so, let me ask you think. How many domain names do you own today?

Lucas: Today, me, personally, I do not own that many. I have cut my portfolio down to probably two thousand names. And they are names that I like and I want to build off of. I used to have a ton more. The truth is most of them were not that great. I do not know what it is, but late at night you start. I remember just going on. You hear the latest gadget and you are buying all these names and all these things. I got lucky with some, but most of them were just garbage. And seven dollars, you take a risk. But now I concentrate on names that are typically what I bid on for CPC for products that I sell, and I like those kinds of names.

Michael: Got you. All right. So, we are going to talk about some of the names that are related to your Razor Business; and if you eliminate all of those from

your two-thousand portfolio, what is your favorite domain name - single word, two words, category killer? What would you say?

Lucas: I really like - and I have not done anything with it, but I think it is just a cool name - APNEA.org. I am a big fan of .ORGs when done properly, like Panda. And I really think APNEA can be a really cool site; and at some point I will develop that out and I will make it a useful site.

Michael: Yeah, are you thinking about that for a medical-related or you are thinking of it as a brandable for something?

Lucas: Medical related, and then kind of an informational area. And referral, lead-based type thing. There are a lot of different things that I could do with it, but I think it is just a cool site. I kind of like .ORGs, so I also have Lord.org. I really like that site. I am a Christian, so, for me, I really want to develop that out and do something worthwhile there and charitable.

Michael: Very cool. So, then you proceeding along in your career and you started working on a platform called DEVRICH, which a lot of people who are watching this show have probably heard of. I believe you pitched it at Domain Fest in 2008 or 2009. Does that ring a bell?

Lucas: Yeah, that is correct. It was a really fun business. Well, how DEVRICH came about was I basically had all these domains. I probably had like six or seven thousand names and they were starting to get expensive. Real estate was kind of dying. I am looking at my on-hand cash and I am like: "I am chucking out seventy grand a year on domain names and I do not think it is the best investment when they are not really making money." I did not even know about parking. My friend had talked to me a little bit about Adwords and a little bit about monetization and, luckily, during that time, I got a call from a GoDaddy Rep that recognized the account because there were a lot of names and encouraged me to spend money. And that kind of got me into this thinking, and so what I like to do is I am very disruptive in industries. I like to figure out what happens, how to make money, and figure out where the money is. I do not like to come up with ideas and then try to figure out how to make money out of the idea. I really go: "Where is the revenue stream, how many revenue streams, and how do I plug into those

streams?" And just cut out all the barriers and go direct to the revenue. And so, what I did is I figured out parking. I understood ranking. I understand SEO just because I did that for a lot of my businesses. And I managed to build like, let's say, thirty sites on WordPress over a short amount of time. And I started doing the Ebay Partnership - Ebay Partnership Network (EPA) - and I started monetizing with that, and with Amazon, and with a few other things. I got to where those few sites were doing thousands of dollars a day and I had like nearly ten thousand sites. If I had a way to scale this, I could put it out to all those sites. And a little bit of my background is I did a lot of data automation and I am an analytical guy, but I have been fortunate enough to build architectures and kind of understand scale. So, I automated a system. I have a friend who is a programmer. I brought him onboard, we became partners, and then we launched DEVRICH. And during the launch is right about when I started seeing my personal revenue dropping. So, Ebay started really tightening up what they were paying out. Adwords started cracking down on stuff. Google started releasing Panda and all these other things. And monetization started dying. And so, it is just a slow ride to the bottom, but the nice part was I got to meet some great people. Pitch Fest introduced me to Braden Pollock, who is an Owner of Legal Brand Marketing. Very sharp guy. And introduced me to a whole new world of lead generation and other things. I was able to build thousands of sites for different clients. Tens of thousands of sites that ranked consistently, and still rank today, on the first page of Google or first five pages of Google. So, they are getting traffic. It just takes work and it is just really tough to do a mass scale development. And things change, so, as things change, I corrected my software to accommodate those Google algorithms and work with the best practices. However, once you do all that, it is just that there is not a lot of money there. It is not like where you used to be able to build one site. I used to pull in like tens of thousands of articles and have a huge site. Lots of traffic equals lots of money. It does not work that way anymore. At least I have not figured it out.

Michael: So, DEVRICH used the WordPress framework and it allowed people, in automated fashion, to pull in a bunch of different assets- writing, audio, video, and what have you - and populate a website around certain keywords. Was it a subscription model or a one-time fee?

Lucas: It was a fee with a monthly cost. Like a hosting cost.

Michael: Got you.

Lucas: It just kind of had a failure to launch on certain aspects just because of the downward trend.

Michael: But it worked great for a number of months or more than a year.

Lucas: Yeah, we probably had two good years realistically, but I like revenue streams that are increasing; not declining.

Michael: Right. Now, at one point - and I bring it up just to clarify the story because people are going to wonder -, you pitched at Domain Fest at the time. Braden heard about it, liked it, and I think became an investor in Devrich. Is that correct?

Lucas: Actually, what happened was I ended up selling Devrich to another company.

Michael: Called?

Lucas: Epik.com.

Michael: Right, with Rob Monster, who we have had on the show.

Lucas: Yeah, a great guy. And Rob and I are still friends to this day. And then Braden came onboard with Epik and, from there, we built lots of sites. We built a ton of sites. We worked really well together. And for me, I just ended up wanting to concentrate more on eCommerce; kind of went a little bit different direction. So, I still have a lot of shares at Epik. I am still a partner in a lot of the stuff that goes on there. I love the guys, but for me, I am in Idaho and I really got interested in eCommerce honestly. And I wanted to get back to doing that because I was always interested in it.

Michael: Yeah, that makes sense. But you still own the Devrich.com domain name. Did Epik keep a license to the technology, or keep the technology and you got a license to it, or something to that effect?

Lucas: Yeah. So, what I did is I sold them a license to the technology and then I just bought the name and the rest of the assets back on the company.

Michael: Got you. All right, that makes perfect sense. And so, did Devrich become part of the platform from which you have built your eCommerce websites, or are they completely different?

Lucas: They are really completely different, but I use Devrich technology to build out some blogs basically that are shaving related that drive traffic to my eCommerce sites. It is a theory I had and I wanted to put it into place; and I have been using it. However, I do not rely on SEO for eCommerce and I do not think anybody ever should really. It is an SEM play, so it is for marketing and not for search engine optimization.

Michael: All right. So you are using Devrich. You are building out multiple blogs. You are aging those. You are getting people to link to them, to the articles, or what have you and building it up their authority, and then you are linking them back to your eCommerce sites to drive people. It is a way to bring in free traffic. It is not cost-per-click traffic, but you are not relying on that either.

Lucas: Yeah, it is just a bonus.

Michael: Yeah, okay, that makes perfect sense. All right. So, that gives our audience a good idea of when you started this and how long you have been working on it. Do you remember the year that you first started or actually, do you remember the idea that first got you started on a razor business?

Lucas: Yeah, it would have been right towards the end of - I think - 2011. Right at the end of 2011. We picked up a dropped name while still at Epik. And unbeknownst to me, it had traffic. And one of the employees there - a partner - was screening and was like: "Hey, this is kind of an interesting idea." And I remember somebody was dropping a whole portfolio of razor names. And I shot them to my partner there, at Epik, and they were not interested in picking them up or acquiring them. So, I ended up picking up a large portfolio of razor names myself for reg cost. And they actually dropped

and expired. I did not even pick them up on the drop. I went and hand-registered them.

Michael: Wow. How did they not? If they were decent names, product related, how did they not even go through drop-catching service?

Lucas: I just do not think people really thought of straight razors as something that had an merit.

Michael: Oh, okay.

Lucas: I do not know. I pitched it to my buddy at the time and he thought I was crazy. So, you never know, right?

Michael: Right.

Lucas: And basically, after a couple months, doing a little research, and finding a supplier, and setting up these things, I bought my first media, ran a sale, and sold a lot.

Michael: Okay, so let's dig into that a little bit. So, what was the one domain name that you selected out of that portfolio that you used as the test case for the business?

Lucas: So, VintageStraightRazor is what I built the business around. And that has just kind of piled on from there.

Michael: How did you pick VintageStraightRazor.com over some of the other domain names that you picked up on that drop earlier?

Lucas: It had the best search term. It was like one of the highest search. It was all about the search, and so it had a really high search and I was like: "That is a good name. It is also one of the main things that people would search for beyond straight razor. It was the next best thing for me." So, I figured that had the best volume of search; let's go with that.

Michael: Yeah. So, StraightRazor is best. VintageStraightRazor was good, and you were just going to go with that.

Lucas: Yeah.

Michael: And how do you do your research, Lucas? Do you use the Google Adwords Keyword Tool or do you use something else?

Lucas: Yeah, at that time, I used to use the Wonderwheel a ton. It is probably the most impressive tool that Google has ever given us to see how they mix things; relate with each other. If anybody ever had the opportunity to utilize the Wonderwheel, you would know what I am talking about. It was super powerful. We built an API to pull so much data off that thing. I honestly think Devrich is probably one of the reasons that thing got shut down. You could really understand. So, the Wonderwheel. You can go Google it later, but fantastic tool. Hopefully it comes back someday, but I do not think it will because if you understood SEO and how they linked words together, you would understand why that thing is gone.

Michael: That is too bad. So, what do you use today instead of the Wonderwheel?

Lucas: I use a lot of different tool. I use SpyFu. I got to give it up for SpyFu.com. KeywordSpy. I use tons of different tools, but the main thing is Google Adwords Tool. I use the Keyword Tool there. It is the best.

Michael: All right. So, how many straight razor-related domain names do you own today?

Lucas: I probably have about three to three hundred and fifty - somewhere in that range. I have not counted them lately, and that goes for all types. Those are shaving related domains. So, there are some _____. There are safety razors; a lot of different style razors, shaving creams, and things like that.

Michael: So, basically you are snatching them up because you may launch different websites on those. Are you using it as a competitive play to keep your competitors out of those domain names?

Lucas: Yeah, one hundred percent. I want to consolidate the market. I think I have reached my goal on what I think is legitimate domain names at this point, and blogs. So, my goal now is just market disruption, and that is what I want to do. I want to be a thorn in the side of the bigger boys now, like P&G and things like that. And it is a huge market. I mean the number eight largest merger and acquisition of all time was P&G's purchase of Gillette - 57 billion dollars. And if you look inside P&G's portfolio, their fastest growing vertical - fastest growing area - has been shaving. I mean they have purchased the Art of Shaving a couple years ago for around 70 million and they have since grown it to a few hundred stores. They are growing exponentially fast and, in the next two to five year play, I want to have several brick and mortar stores; within two years, I want to have one in a specific location. And it is just going to be as a reminder of you dropped StraightRazor.com and now we are across the street from you. So, for anybody who is a domainer, that is a great story.

Michael: All right, and I want to find out about StraightRazor.com. I am going to ask you about that next. So, we talked about the different words. You own VintageStraightRazor. You own a bunch of different domain names. What about top level domains? Do you care if they are .COM, .NET, .ORG, .CO, .ME, or .DE?

Lucas: This is going to sound kind of funny. I do not put a ton of value on domain names. Now, let me clarify that. I think I put a lot of value on good marketing and good SEM. With a good name though, your cost is going to be cheaper. And you can build better SEM around a great name, but you do not have to have a great name to start with. You can start small and finish big. So, I believe that the business should fund itself and it should look forward. You would not just go out and buy whatever - Razor.com or Shaving.com. It would not be the best move for somebody going into the business. So, I mean I have a lot of .COs. I like .CO. They are available, they are easy to register, and they are easy to brand. I built several different knife sites on .CO. SafetyRazor.co. I have a lot of .COs in my portfolio and I really like them. I like .NET. I like .ORG. I like a lot of different top TLDs, but .COM is king and, beyond that, I will usually look at .CO and then .NET.

Michael: Yeah. And so, the difference is, when you buy SafetyRazor.co, you are actually buying marketing campaigns - cost-per-click campaigns - where you are driving traffic directly to that. And when people are typing in SafetyRazor, SafetyRazor shows up bolded in your cost-per-click campaigns, and then people just click through. It is not like people are typing it in and then they are going to forget that it is .CO and they are going to type in .COM by mistake or what have you.

Lucas: Correct.

Michael: Okay. All right, so I understand and we are going to get into more about buying campaigns and making sure that they work and are cost effective to do. So, we talked about the different domains. The fact that you do not put all your emphasis into the domain name. When you are starting out and you are buying your campaigns, you can focus on maybe not the premiere domain name and you can buy lower level domain names or cheaper domain names in order to get the business going.

Lucas: Sure.

Michael: I want to ask you about a couple of domains that you bought. So, funny story that I think is funny, Lucas - I am not sure if you are going to think it is funny -, is that I met you at Web Fest Global Conference, down in Santa Monica, like I mentioned earlier. We set next to each other at one of the magic shows at the Magic Castle, which was a phenomenal show. I think you enjoyed it just as much as I did, right? All the magic.

Lucas: Yeah.

Michael: Great time. Just prior to the show, you were sitting right next to me, we were chatting, I asked you a few questions, and I noticed that you were hesitant in order to tell me a little bit about what you did. And I cannot remember exactly what the questions were, but I definitely noticed you were hesitant, so I backed off. And I asked you about that during the pre-interview call and your answer to me was that you were looking at some different deals and maybe trying to do some deals at the Conference and you did not want work to get out.

Lucas: Yeah, I just wanted to stay really low key that I am in the razor business, that I like it, and a few things. And my goal was just not to broadcast until I had solidified a huge deal. For me, personally, it was a big deal. It was something I needed to acquire. And I think I will just tell you. It was the domain name, StraightRazor.com, and it was a really nice deal put together. It was from Frank, and so he was more than accommodating. Super great guy. I mean he actually remembers the day he caught it on the drop.

Michael: Now, that is the domain name - StraightRazor.com - that P&G allowed to drop. Is that correct?

Lucas: Yeah, correct. Frank is a sharp guy. You have had him on the show. I mean anybody that has not seen that interview needs to go back and watch it. But super great guy; made just a hell of a name for himself in this business. And he is more than a humble dude and he understands business, so we came to a great deal and now it is in the hands of somebody that I am hoping I am going to be a good steward with; that we are going to build a heck of a great business. And right before I acquired that one, I tied up - purchased - StraightRazors.com. So, for me, the singular is a much higher search term. It is my best CPC term. It is my best converting term. So, I really wanted that domain and I was fortunate enough to have it in a situation where I could acquire it. It was just too bad it was Frank.

Michael: Although he is a fair guy, he is a businessman.

Lucas: Smart guy.

Michael: And he does not bend very much when it comes to deals. And I know that for a fact because I bought a local domain off of him myself. And there is not much room in negotiation with him.

Lucas: Yeah, so super great guy. He understood the value. I am sending him a straight razor, so they will be happy.

Michael: So, I do my research on everybody that comes on the show and I like to do research on their background and the domain names, and I saw

both of the domains listed on DN Journal's Weekly Roundups in the past, Lucas. So, I think I might have asked you, in the past, how much one of them was and I believe that you declined. Now, this information is public. I will throw it out there and I want to ask you if it is true; and you can deny it or whatever you want. I had listed down that StraightRazor.com - the singular - on DN Journal's Weekly Roundup was twenty thousand dollars and StraightRazors - the plural - was 3,622 dollars. Do those numbers sound correct?

Lucas: Well, I can tell you that one is not right, but I will not tell you which one. One is grossly wrong.

Michael: Okay, and it may be - I am just going to hypothesize here; I do not know for sure - StraightRazors.com was listed for 3,622 dollars in 2007. So, it may have changed hands since that point. In either case, it does not matter. Why would you purchase StraightRazor.com and StraightRazors.com if VintageStraightRazor.com is working beautifully for you? That and some other marketplaces are delivering six plus figures per month. Why would you feel like you need to lock up the category killer domain name for this industry niche?

Lucas: So, the way I am looking at it is my Vintage site is going to be geared towards vintage blades and the vintage connoisseur; somebody who is looking for antique blades. I have a really unique forum. It is a marketplace forum that I have been building. I have a guy working on it right now. Hopefully we are going to launch in a month. It has been under build for a few months now. And so, I am not sure if I am going to put StraightRazor on that or StraightRazors.com. And there are lots of these guys, like Knife Makers, that build straight razors. And there are a couple of other forums out there. Some have quite a few members - over fifty thousand members. Most of them are about fifty thousand members.

Michael: Wow.

Lucas: There are three major ones. But the downside is they do not allow these guys to showcase their items unless they pay like five hundred dollars a year. They cannot even talk about their items unless they pay that money. So,

my goal is I want to encourage people to get into the business, so it is going to a marketplace. They can sell their stuff. There is basically a three percent fee, and they can promote their stuff. It is going to have an online store. I am going to do a lot of advertising and pushing of those names. That is going to be the play probably for StraightRazors and StraightRazor is going to become all-in-one store with new equipment; not featuring so much on the old equipment.

Michael: Yeah, very cool. So, at this point in the show, Lucas, I want to do a screen share. I am hoping this is going to work. I am just going to share my screen right here, and I want to show people the website - VintageStraightRazor.com. It is up on the screen. And Lucas, you and I chatted a little bit before the show, in our pre-interview, about your philosophy for the website. I believe, in your own words, you said - and I cannot remember exactly how you phrased it, but - it was not the most beautiful website in world and that is not your point. Your point is to -- well, you tell me. Tell me about the philosophy of VintageStraightRazor.com and what your objective is when people get to the site.

Lucas: So, I am sorry. I am losing you, Michael, on that.

Michael: Oh, so, we had chatted about it and I believe I had suggested that it looked like a very plain site. That you have just got the razors. When people come in, they click a razor and, right at the top, it is the 'add to cart'. You do not see a lot of the bells and whistles that maybe you see on Amazon.com. And your point was that you do not want to provide all that. You want people to search for it, find a product, and check out.

Lucas: Correct. Yeah, so, my goal is conversion. My philosophy that has been taught to me and has been successful is kind of the path of least resistance. So, I do not want to throw a lot of different stuff at the people. I do not have a lot of upsells. It is just: "Here is the item that you have Google searched. Here is the best price online. Click add to cart, give me sixteen digits, your expiration date, and let's get it off, in the mail, to you as soon as possible." And then you will come back again if you would like to shop again, but the goal is it is a very simple design. Not flash based or a lot of fancy stuff. It is just keep it simple and give them what they want.

Michael: Yeah, okay, and that makes perfect sense; and that is what the site is about. Have you tried other sites, like adding a bunch of different reviews to the products and getting people to rate them after they have purchased them and things like that, or do you find that it is not really necessary? You want people to get in, find a product, and get out.

Lucas: I think it does help. I am just starting to expand out to a few others. I have tried the fancier sites - the nicer sites - that are high custom, lots of graphics, and they just do not convert as well. That site there is a model that works really well for the clientele I am going after. You have to understand your clientele too. I really believe in marketing to the people that you are selling to. And the average person here is not wanting to deal with a lot. Somebody that is looking for a vintage straight razor probably is not super young; probably wants something really concise, easy to read, and simple. Now I have other sites, like StraightRazor.co and a few other sites, that are geared more towards the person that is concerned about the fact that a straight razor reduces landfill waste by one hundred percent for shaving waste, and a safety razor reduces it 97 percent. So, we got to get away from this idea of a culture that is use it and lose it. So people are really coming back to the idea of longevity, quality items that last, and buy it once and keep it for life.

Michael: Yeah, definitely. And I am tired of spending so much money on these blades, which I know are not costing that much. And that is why P&G was able to spend the 57 or so billion dollars for Gillette. So, tell me about the technology that you have built your websites on, like VintageStraightRazor.com or StraightRazor.co, or even StraightRazors.com. How do you decide how you are going to build these technologies? Are they in-house? Are they using a third party system?

Lucas: So, I use mostly a third party backbone, and then I will do a lot of massive customization to the site. What is nice is I like to find a provider that gives me the specific things I am looking for. One of the big keywords you are going to hear is channel integration. ChannelAdvisor is a huge eCommerce provider right now, and the idea is you are going to hear marketplace optimization or marketplace syndication. And what all that means is one place where you can change your price and then it will get

pushed out to Amazon, Ebay Stores, Sears, Buying.com, and all these places. Buy.com. And you can change your describe and it syndicates out everywhere. That way you are not having to manage ten different marketplaces. You have one place to do all that management.

Michael: That is great. So, where do you do that marketplace syndication?

Lucas: It is tough. I mean honestly I have good friends that own the businesses, but they all have issues. And it is in its infancy. Probably the best one I use right now is Zoovy.com; and they are changing their whole infrastructure right now, so who knows what it is going to look like in a few months. Zoovy.com - really great group there. I have been with them for years.

Michael: Yeah. So, the idea is that you have got one website - let's call it VintageStraightRazor.com. I assume you own the plural also?

Lucas: No, I do not. It is a gentleman. Really nice guy though. I am a fan of his work.

Michael: All right, VintageStraightRazor.com. You have set the price there, and then you are also setting the price on Amazon, and Sears, and all these other marketplaces. And you are buying from suppliers at a certain price; and if that price increases or decreases, you may want to increase or decrease your sales price, and you do not want to have to sign into ten different locations to change the price. You want to do it in one location. And right now, Zoovy.com is the closest to doing that, but they may not fully up and running. If people go watch this immediately, we may have to wait a little while for them to iron out their new framework.

Lucas: Yeah, they are doing a new framework, so it kind of remains to be seen. A lot of people are having good luck with ChannelAdvisor. It is custom built on Magento. A lot of things. There are a few others out there I will share with you via email.

Michael: Okay. So, right now, if somebody was out there and they had a website, and they wanted to take advantage of these different marketplaces

like you have done with your razors, they would have to just go to those marketplaces individually and update them manually. And if they do not have to update very many products, then it is probably a good idea.

Lucas: Yeah, and one of the other things to mention there is the nice part I like about Zoovy is it has inventory control and shipping control, so you have one hub ship a product out. It updates your Amazon people. It updates your Ebay people. You do not have to go into these different marketplaces, so you can manage many stores from one location.

Michael: That makes sense. So, VintageStraightRazor.com - that is your website that you have built from the ground up yourself?

Lucas: Yeah, one hundred percent.

Michael: Okay, and what is the technology that you have used to build with it?

Lucas: That was Zoovy.

Michael: It was Zoovy. So, they provided the framework.

Lucas: They are the backbone. The brute force of the eCommerce behind the pictures there. That is what is the operating system and it is based on a Zoovy Operating System.

Michael: Cool. Where do you get your products from?

Lucas: I primarily source them from China. Most of them. I mean reality is Germany only produces like, let's say, one hundred thousand razors a year. So, a couple people in the industry sell that, so I sell as many Germany blades as I can. I have a unique system of Googling classified ads for razors, and then I got a guy that buys them. He makes offers and buys vintage razors from all around. And then, every once in a while, I started understanding like: "Oh, some of these are antique stores," and so we start to build a rapport. And then what I started doing is I would go on road trips, hand out cards and tell them like: "I will buy all your razors for X. You can mail them to me here.

Let me know when you have a box of ten or twenty, and I will send you a sheet so you can ship them off." And so, I source a lot. Actually, when I was in LA, Braden and I went antiquing. We bought tons and tons of razors. I also sell pipes. The vintage pipes - Estate Pipes, they are called. So, I mean I love that kind, and so it just kind of works together in the same market.

Michael: Very cool.

Lucas: I also do vintage flasks. So, I like luxury metal items.

Michael: Yeah. And are there a lot of people using straight razors to shave? Let me rephrase that. Do they buy them as sort of an antique item that they want to highlight on their wall or on their desk, or are they using them on a regular basis?

Lucas: A lot of people use them on a regular basis. We have thousands of members that use them daily. A lot of people use them, at least, weekly. I use mine weekly. Actually, lately it has been more like monthly. I am a busy guy, so safety razors. I am telling you, like any guy out there watching, you will probably buy a straight razor, thinking: 'Oh, I am going to use it all the time.' You probably will not use it as much as you should, but you need to buy a safety razor. I do not care if you buy it from me, or anybody, but a safety razor is hands-down the best shave you are going to have. You are not going to get irritation and you are just going to enjoy it. And then, from there, move into straight razors because it is just a great way to shave.

Michael: All right. So, I am going to back to your VintageStraightRazor.com site right now. I am going to type in 'Safety Razor' into the product search box and it is going to bring up a bunch of safety razors, because I did not know what a safety razor was. In the pre-interview call, I was talking to you about shaving and at the conference I was talking to my friend Bill, and we were talking about how irritated our necks get when we are shaving. And I try and shave against the grain, so that I could get a closer shave; and you are like: "Try a safety razor," and I have never heard of it. I guess I have seen one before, but I have never actually really thought about buying one because I thought they were just outdated or they did not actually work anymore. And so, it is basically just like the razor that I use - my Gillette MACH3 -, but

instead of the head that comes off that is replaceable, in this case, the head screws off and you use a two-sided blade inside of that. And so, you are not throwing away the entire head, you are just throwing away the blade when it becomes dull. Is that correct?

Lucas: That is one hundred percent correct. And the blades last quite a long time. You just want to dry them off when you are done or, if you do not care, you can just change them out every four or five shaves. But I usually get ten to fifteen shaves on a blade, but I dry the razor after I am done with it. Water and soap is what corrode it or create the dullness a lot of times. So, yeah, safety razors are by far the best way to shave when you are just converting to get out of the previous way of the MACH3 or MACH4, or however many - five - blades they have now. And you are going to be amazed with how well it works.

Michael: But don't I get a better shave when I have more blades in my head?

Lucas: No, not at all. In fact, you will be impressed with how great the shave is with a safety razor. Now, there is basically - quick education - two types of safety razors. There is the DE, which just stands for double edge, and then there is the SE, which is a single-edge safety razor. Most common or the double-edge razors, like you just showed the audience.

Michael: And how do I know which side of the razor I have used ten times before I have use the other side, and then switch out the blade?

Lucas: So, as you are shaving, I pretty much use them equally. I will just shave this way and then I will spin it, and I will do the same. I do three passes on each side basically. I do not know. I do not really keep track honestly. You are going to know when you put it up to your face and one side feel a little bit no so great. It does not hurt, but you are going to notice it is not cutting as smooth. Use the other side and then, when they are both kind of not doing the best job, just switch it out.

Michael: How do you get rid of the old razors once they are used up and you do not want to throw it in the trash because it could cut you?

Lucas: So, you can get a sharps container. We sell the little plastic protection sharps containers. Right now I am only selling them on Amazon, but they are easy to use. Just dump your blade in there, and you have the sealed top. That way if you have children or whatever you do not have to worry about it.

Michael: Yeah. And so, the life seems about the same as my three dollars per shave head. I am getting maybe ten uses out of it, so it is about the same. Is the cost for a double-edged razor blade that you would put into that safety razor much less?

Lucas: Yeah, you can get one thousand really nice Derby blades on Amazon for anywhere between sometimes 7.99 to like twelve dollars.

Michael: Wow.

Lucas: Yeah, it is just a great deal.

Michael: Yeah. How much do you sell them for on your site?

Lucas: A little bit more.

Michael: All right, but go to your site.

Lucas: So, it is six dollars for five I think or something. I do not know.

Michael: Yeah, got you. All right. So, do you get a better shave when you use a straight razor versus a safety razor?

Lucas: I think you do. So, you are supposed to do with the grain, cross grain, and then against the grain. So, if you do those three passes, you are going to have a close shave with either one. I mean I have not broke out the microscope to see which one is better, but I will tell you the safety razor feels really great and the straight razor feels great. The one thing I noticed is it seems like maybe it lasts a couple - maybe eight to twelve - hours better. I notice that I do not have to shave again for probably two days with the straight razor.

Michael: Yeah, cool. So, if you are selling like thirty products a day, let's say - just as a rough number; maybe it is fifty and maybe it is whatever. If you are selling that many products per day and you are bringing them mostly in from China and then from small antique shops, and Germany, and wherever you can get your blades, where do you store all the products?

Lucas: So, we source. We do everything. We actually manufacture our blades here. We are just starting manufacturing now too, so I have a metal shop and a wood shop that builds the scales. But we do everything on-site, so everything comes to our fulfillment center here, in North Idaho. I used to have a fulfillment center I sent to and I just found out it was easier in-house. I have guys that ship stuff for me every day of the week except for Sunday. And we are consistently shipping out tons of orders. Peak season - busy season -, we will do between one hundred and three hundred orders a day.

Michael: Wow.

Lucas: The busy seasons are going to be like Thanksgiving till the New Year, and then Fathers Day is another busy time of the year.

Michael: Yeah, definitely, I could see that. And so, your guys show up, they have a stack full of orders that need to be fulfilled, they grab them off the shelf, they package them up, they label them, and then they ship them out?

Lucas: That is correct, yeah.

Michael: UPS must love you.

Lucas: Actually, we ship mostly USPS currently. That is our main source, but yeah, they love us somewhat. Yeah, they like us, but for as much money as we spend, you would think they would not give us grief, but they do.

Michael: And the ones that are delivered via marketplaces, like Amazon or Sears, or other marketplaces that you use, do you actually have to deliver that inventory to their facilities for delivery?

Lucas: So, Amazon is pretty unique. They offer FBA, which is Fulfillment by Amazon, and we use that for several products. We just shipped off a few hundred. So, we also sell daggers, and knives, and things like this. Just random blades. We sell a lot of blades. Beyond the straight razors, on a good day, we might sell one hundred knives. And so, we sell a lot of knives as well; and I am just starting to really utilize Amazon's Fulfillment by Amazon. I have used it before for razors. There are just some problems with razors that are specific to razors, but knives are unique. So, you send off, let's say, two or three hundred knives to Amazon. You use your Amazon Service Account. It is awesome. I mean Amazon is great. You can send them all your products. They take a small pick fee and then what is nice about when you get an Amazon, when you are actually Fulfilled by Amazon (FBA) on certain products, they will promote you better, but also, people can do one-click checkout and they can have it next day shipped.

Michael: Right.

Lucas: So, that is the bonus. And Amazon, as you probably know and people watching, the future is same day delivery. And they are doing that in certain cities right now. So, that is the goal. And people feel comfortable when they are buying from Amazon.

Michael: Yeah, definitely. Well, and I am a Prime Member, so I get everything in two days, which I love. It makes me think about: "Well, do I really need to drive to the next town over to do the shopping, or will I just go online and have it delivered to me?" It seems like consolidating delivery of products under one brand would be useful because you only have to buy one label to go on there and you only need to print out one packaging slip to go inside the box, but you have got a bunch of different websites. The VintageStraightRazor.com. The StraightRazor.co. Your dagger websites, which I do not see any knife or daggers on your website. How do you deliver from multiple brands - multiple websites - without increasing your cost or confusing your customers? How do you bring all that together?

Lucas: It is tough. So, the hardest thing is the call center aspect. That is honestly the toughest part. Everything else is pretty easy.

Michael: All right, so let's just talk about packaging first, and then I want to ask you about your call centers because I totally forgot that you have got phone numbers on your websites for people to call. So, let's say that you sell an order from VintageStraightRazor.com today and you also sell an order from StraightRazor.co. Both of the orders come into your fulfillment facility.

Lucas: Yes, they do.

Michael: And then, you grab the same product off the shelf; you put it on a box, and pad it. What is the packing slip? Do you have to print off two different packing slips?

Lucas: So, basically, every day all orders are printed out. So, let's say they print out seventy orders and they sort them; and they are printed off by domain. So, the backend is going to say: "Here is all your Vintage orders. Here is all your Knives.co orders. Here is all your ucleaver.com orders. Here is all StraightRazor orders." And then the techs are going to put them into their different respective filing. So, they each have their own picking order. And that piece of paper that is printed off is their packing slip as well, so that a travel along with the order as it goes through the line. So, they are going to push out all VintageStraightRazor orders, then they will move on to StraightRazors.co. So, there is never really a mix-up. That part was not easy at first, but now it is just a system. It has a system operation. They just follow it and it goes out like clockwork. The stuff that is tough is the phone centers because I do not want to have twenty different numbers. And the other tough part is managing emails. Emails and phone centers are kind of tough, but as far as packaging it is pretty easy because there is nobody asking right then. So, you just print them and you pick.

Michael: Yeah. So, what happens when I call up and I am an irate customer because - whatever - something got damaged in the mail? Not something you did of course. Something got damaged in the mail. "Hey, my order got damaged." What is your first question to them? Do you ask them what their order number is that you then reference, or do you ask them what business they are calling for?

Lucas: So, I used to pay for calling center support. I might go back to it. Right now I just send them to a voicemail that tells them to email us. Basically, go back, get your order number, email us, and contact us through email. I prefer things to go through email. I found it to be a lot better. Basically, how call centers works, for people who do not know, is you provide a script, the person there is not going to be that helpful for your client that is calling in, and they are probably going to make them mad. And a lot of times, getting a message, a machine makes them mad too. However, I refer everybody now just to email. So they have a contact page. You can go to VintageStraightRazor; you can see Contact Us. They provide the information. We reply within a few hours. If not, within a few moments, but everything is answered within a couple hours.

Michael: And that gives you time to research it. You can find out what their order was, how much they paid, and how it was fulfilled.

Lucas: It also gives us transparency and I can see when we have an angry customer; and those get isolated actually to me. So, our customer service guys know I got one today. It is not often, but some people are just not happy. You find some bad customers, so that is something I do. There are a lot of gimmicks. A lot of people are trying to get something for free. And they think you are this huge company, so that goes down a different road. So it is really easy to know if you got somebody that: "Hey," this poor guy did get screwed. USPS said they delivered it or a lot of times, during Christmas, it gets lost in transit. So, you ship a few thousand orders; you are going to have a couple people that do not get their product.

Michael: Yeah, cost of doing business.

Lucas: Take care of them. Yeah, you send out another one. You have got to take care of them. They are going to win a chargeback. You always take care of them.

Michael: Yeah. How do you get traffic to your sites?

Lucas: So, I rely on primarily SEM. Media buys. So, I buy lots of different traffic. Mainly it is going to be Google.

Michael: Okay. And so, you just constantly have campaigns running in Google for keywords like Straight Razor, Vintage Straight Razor, Safety Razor, and things like that?

Lucas: Correct.

Michael: Okay. For every dollar you spend, how much do you get back? Let me ask you that.

Lucas: So, the ROI is tricky there. It is tough. I do not know. Let me see. Industry standard is going to be like thirty percent. So, you spend one dollar; get three.

Michael: That is three hundred percent.

Lucas: I am sorry. So, it is going to be a thirty percent cost is what I should say. Out of three dollars - the revenue that is coming in -, which costs me a dollar.

Michael: It is costing you a dollar to get it. I got you.

Lucas: That is an industry standard.

Michael: Yeah, okay. And so, one of the things we talked about in the pre-interview is that you have honed your marketing buy such that you know that the campaigns are working. You know the keywords that are actually converting versus the keywords that just are sending you traffic. How do you do that?

Lucas: So, it is just by Adwords. I dive into the data in Adwords. So, what I will do is I will look and see what keyword triggered the sale, and so you link your Analytics with your Adwords, and then you link both of those with your eCommerce site. And so, as they talk to each other, it lets you know like the funnels that people travel in order to make the sale. So you know the word that they came in and search on, and so, after time, you amass a ton of data and you can look and say like: "I know that Straight Razor is my number one

keyword term for conversion. And I know that for every hundred dollars I spend on that kind of advertising I am going to sell, let's say, eight razors. I am going to sell eight packages." So, I just dial it down. But what you can do from there is you can dial down even deeper into the Google Adwords. You can look and see was it broad match, was it phrase, or what is exact; and if it is broad, I want to see all of those. If it is phrase, I want to see every time that it is used. And then, you can start kicking out. An example is people advertise on poor words. Up till just a couple days ago, they finally cleaned up their campaign, but a unique competitor, if you typed in Razor or Motorola Razor, you were seeing their ads come up for shaving razors. And so, you know that their campaign is not using negative keywords. And so, that is just poor media buying. So, you get rid of those. You make sure you are protecting yourself; hedging against all those. Sometimes you still have them, but if nobody is clicking on them. If I do not see it in my cost, I do not really work about it.

Michael: Yeah, that makes perfect sense. And do you collect email addresses and then send out newsletters featuring products or email promotions with sale items as well?

Lucas: Yes, we do. And the best that I found for that is Mail Chimp. We have over ten thousand users, so we just use Mail Chimp. We had an internal thing that we would use, but when you are sending out that much mail - that much volume - it is really tough to deal with what is called delivery rates to make sure that it actually gets seen. There is so much spam out there. And even though it is legit - these people are subscribers -, a lot of times Gmail or other things will filter them out. So, I found that we get our best delivery rates through Mail Chimp. And anybody that wants to do marketing through mail, that is a great way to do it.

Michael: Now, I do not even see a newsletter option on VintageStraightRazor.com. Do you opt people in as part of the purchase process or ask them?

Lucas: Yeah, they do not get the option until they are checking out.

Michael: Got you.

Lucas: And it is an opt-out option. They are automatically opted-in. They can check it. It says right there if you want to check out. And oh, every newsletter we might lose like one-sixth of a percent. So, you end up providing retribution. Some people are like: "I will opt-out of this. I am tired of seeing this." We do not send that many newsletters though. We are probably going to up it to like once a week. We are doing like once a month.

Michael: Got you. Do you find that you get more sales at a higher ROI through your email newsletters, which are people who have purchased in the past, than buying Adwords?

Lucas: Yeah, very much. It is just like it is free money, but you have got to be doing the newsletter if you are in eCommerce. And you have got to have a great offer, so it is a great way to sell stuff.

Michael: Yeah. What is your average ad spend on Google Adwords per month?

Lucas: For just VintageStraightRazor, it fluctuates so much. During Christmas, or New Years, or Thanksgiving, it will be in the low five figures. During this time of the year, it is actually mid- or low-four figures. It is pretty cheap.

Michael: All right, so you are spending a decent amount of money on Google Adwords. Do you also try out Bing and their Adwords equivalent, or any of the other networks?

Lucas: Yeah, we use Microsoft Advertising. It changes names like monthly, so I do not know what it is called right now, but it used to be Microsoft Advertising. But yeah, we have a campaign that is set up on there and runs. And what is nice about Microsoft is you can just export your Google ads directly into Microsoft. So, anybody who is doing Google should be on Microsoft, because you are going to find out that you are going to have higher conversion. So, what is unique about Bing or Microsoft customers is, when they spend more, you have higher checkouts and they are a quality customer. They are just a better customer and they have less complaints

percentage-wise. They always opt for insurance shipping. I mean it is just a different breed.

Michael: That is on Bing.

Lucas: Yeah, they have higher click checkouts. It is just a better customer.

Michael: But it is a much smaller number than those that are coming through Google?

Lucas: Very small.

Michael: Interesting. All right, I would not have expected that. I thought search is search, and traffic is traffic, and customers are customers.

Lucas: And you are going to find out. In marketing, they will tell you Bing Click is typically a better educated. This just sounds funny, but it is like a better-educated consumer. So, they are actually going to be a better client when they checkout.

Michael: Yeah. What about social media, Lucas? Do you use Facebook, Twitter, build a following of loyal customers that you try and interact with, and then run promotions through your social media accounts?

Lucas: Yeah, we do. We are not super active on those. We have the Pinterest account, the Twitter, and the Facebook, but we get probably a couple new likes every day and a couple comments here and there. A lot of times we will end up with support questions there, so we have to monitor those hourly - just about - during the day. But yeah, it is a great business. It is going to be interesting to see. Are you familiar with Payvment?

Michael: No.

Lucas: Okay. So, Payvment, for anybody out there, you can create a social source. It gives you the ability to turn your page on Facebook into a checkout option. I built a couple. For me, they have not been that successful. Other people are having success with them. It will be interesting to see how

Facebook monetizer or if they do. So, who knows? But Payvment is something to kind of watch.

Michael: Okay, Payvment.com. All right. So, I always internalize ideas best with an example, Lucas. Many of the people in the audience know that I own iSixSigma.com. It is a community of Lean and Six Sigma professions who work primarily in Corporate America, improving that the way large bureaucratic businesses run and delivering better products and services to their customers. If I own project example case studies for Six Sigma projects for sale, I sell them for about twenty-five dollars a piece; I sell a number of them every single day, but I only promote them through my website - iSixSigma.com. Do you feel, knowing what you know now by selling these straight razors, I am leaving money on the table? Do I need to be going to these third party marketplaces and selling my electronic products there as well?

Lucas: Yeah, for sure. I think a product like that would be a real great play on places like LinkedIn, where you can target the person that is going to buying it or that want to see it. You can dial it down to the company and the position within that company that you want your ad shown. And I think LinkedIn is a great place for a product like that. Also, obviously Google Adwords. It should be there.

Michael: Okay. And if I am getting on there and I am targeting it to only people in Corporate America who have a description of process improvement or Six Sigma, or something like that, in their background; and I only want to target, let's say, people in the United States and in the United Kingdom, when I set up a marketing campaign like this and I tie it into my Analytics on the other side so I can see where they are coming from, how much do I need to spend in order to test would you say?

Lucas: I do not know. Something like that, with LinkedIn, it is minimal. Seventy dollars a day for ten days, or even fifty. I do not even know if you would spend that. I do not know the search volume on those terms or the CPC, but I do not think you would have to spend that much on a term like that. And it is such a nice market. I like smaller niche markets, where you can

really understand who your end user is or who the person is that needs the product, and it is really nice to have an easy delivery method to get it to them.

Michael: Yeah, I agree. So, if I spend fifty dollars a day, let's say, how many days would I need to run in order to determine if I am getting a return on that investment?

Lucas: Industry is going to tell you that you need to do like sixty to ninety days. I think you are going to know within like ten days if you have the right terms, first off; or if you know if you have the right terms, if you have a viable product for that market.

Michael: Okay. And I will just link them straight back to my store, like you do on VintageStraightRazor.com, and drop them directly on the page.

Lucas: I would build a lander. Always build a lander for your clients. Do not always just drop the on the front page. If your front page is the lander though that converts general traffic, that is a great place to put them. But somebody coming from LinkedIn, it might be nice, on a professional site, to drop them on a 'Thank you for visiting from LinkedIn' or do something that customizes it for them or makes them at least feel like you are not just throwing them to the wild. And then have a good squeeze page. Here are the reasons why you need this for your organization. And then it is all about conversion, so you got to figure out. I do not know your product specific, but you want to give them the sales pitch right there for whatever. If you have not dialed down to that person within the organization, you know what they are looking for, so give them that. Do not just give them a blog or page.

Michael: Yeah. So, let me use one of your examples because I think people will identify with it. If people are searching for Merkur Safety Razor, that might be a typical search phrase, right?

Lucas: Yes.

Michael: And so, you buy that keyword phrase - that exact match keyword phrase - on Google; you are going to drop them directly onto that product page or category page of Merkur Safety Razors.

Lucas: Yeah, one hundred percent.

Michael: Okay, got it. All right. Let's see here. So, we have talked about marketing. We have talked about how you buy your ads. Do you find that there is a point of diminishing return; that there is a point where you cannot spend more than five thousand dollars a month or ten thousand dollars a month because there just is no more inventory and the more you buy the more sales you get?

Lucas: Yeah, one hundred percent. So, I actually turn off my ads often, unfortunately, just because of supply. So, that is why I am working on manufacturing US-based. And on the other side of it, let's say I have plenty of supply. I turn off ads or I will throttle them back because you optimize up and then optimize down. Just like anything else, you are going to look. Are you squeezed and your goal is to make diamonds; not coal? And you are just going to apply the right amount of pressure and dial in all your ads you are buying. The thing you want to watch then you are in eCommerce is your conversion cost - your one-click conversion cost. So, let's say if you start is twelve dollars per conversion, that is all you want to spend. Let's say you are all in on all your advertising and your market produces - your net catches - one hundred fish a month. You could throw out a bigger net and you might spend, let's say, fifty percent more and only catch twenty more fish. So, you got to figure out what it is worth to you and then dial it back down. But a good marketing guy is going to look at your overall strategy and dial it up and then dial it back down.

Michael: It seems like so much work, Lucas, to have to manage the different campaigns on Google, manage the different campaigns on Microsoft, track the campaigns, turn off the campaigns when you are out of inventory, and crank up the campaigns when you have more inventory. Campaigns are going to change over time because some of them did well last month and now they just are not performing, so you need to find different keywords or a different marketing message that is going to convince them. Do you manage all this yourself?

Lucas: I pretty much do on this project. I have got a buddy that I am mentoring. He is taking over the reins of this. I am working on a few other projects now, but within the razor business and within vintage stuff. But it is a lot of work. I mean it is not easy. Not everybody is going to do that. Honestly I do not have to do it, but it is kind of fun optimizing your ads and optimizing your landing pages.

Michael: Yeah, do you find that it takes you a few hours a week now that you have everything up and running? Or is it the kind of thing where you have to spend two hours a day?

Lucas: It is a few hours a week.

Michael: Okay.

Lucas: My buddy and I that we do a lot of eCommerce and now, at this point in my life, it is what I do primarily. And we kind of joke. It is like every time you go in and you can tweak your ad buying, there is almost always several thousand dollars in savings at the end of the month. So, it is fun to dial that in.

Michael: Do you feel like your wasting money when you actually get to shave off some savings?

Lucas: It makes you sick, right? So, I mean it is crazy. And I mean when you drop your conversion cost ten dollars per conversion and you drop your CPC twenty cents, literally, just by getting rid of some bad keywords that have been in there for six months, you realize you just hemorrhaged off twenty grand. You still make money, but now you are making more.

Michael: So, what is the lesson learned here? Should people start with very few campaigns and keywords, and then optimize those as well as they can before branching out into others? Or can you only learn that through trial and error?

Lucas: It is a lot of trial and error. I will give you the brutal truth. Hiring a marketing firm - a good one - and then fire them after about three months.

They are going to set up all your campaigns. They are going to do all the ugly, hard work that you are not going to want to do upfront. And this is if you are capable, but marketing campaigns take a percentage off your total ad spent. So, it is in their best interest not to trim you back down. They just want you to keep spending more money. If they know that for every hundred dollars you make you can spend forty, they will try to spend fifty, because the more money you spend the more money they make. I would love to find a marketing firm that worked off of conversion cost, but it does not exist. So, hire them; after about three months, they are going to have all your ad buying dialed in - all the keywords that you really need. And then, from there on, you are just going to have to watch it for spikes in industry. Straight Razor had a spike a few months ago with James Bond - the shaving scene created a huge rush for people buying razors. So, I was the first guy out there that utilized the term 'Cutthroat Razor'. So, I bought keywords underneath like Cutthroat Razor. I put more money towards that advertising; I also did like the term 'Bond Straight Razor', like kind of opened up my thing so I was capturing that Bond search crowd and Skyfall search crowd.

Michael: And you were buying that. Not doing search engine optimization around it.

Lucas: Correct.

Michael: Because it was quick. The movie is out. You have got to take advantage of it.

Lucas: Yeah, we converted tons and tons of traffic off that.

Michael: Wow. All right, so also, just earlier today, when we were chatting back and forth, you mentioned eCommerce financing that you were using. It is almost like cash flow financing, using a service called Kabbage.com. What is that?

Lucas: It is just the craziest thing. I just found them yesterday, and I signed up for them, and they approved me for forty thousand dollars like instantly. I did not check it, but within an hour or two hours it was all approved and done.

Michael: That is crazy.

Lucas: In fact, 6700 was approved and then, within another hour, it was like twenty. And now it is like forty thousand after I checked back.

Michael: Did they require you to give a social security number to run a background check to like get access to your bank accounts or anything like that?

Lucas: Yeah, they kind of do it all. I kind of went all in. I am an adopter of technology. And sometime it is not great; sometimes it is. I went to Windows 8 on all my machines and I run with a surface. And I like to try different stuff, but this is a cool product. It is a great company. Anybody that is doing eCommerce that has sales, what they do is they basically just API into your Amazon store or to your authorized .NET account. They just want to see transactions. They want to see you are doing volume. And then they are going to take your EIN Number. If you want to do personal, they will take your social security. I have not used it yet, but right now they will drop forty thousand in my PayPal account if I wanted to use them.

Michael: Wow. And so, basically they are a cash lender. They loan you cash whenever you need it, and then you can use that to buy a larger supply from China of razors, or a high ticket item from an antique shop that you know you can resell because you have got the channels, or what have you.

Lucas: Yeah, it is pretty crazy. I just was told about and I was like: "I am going to try this thing out." And it is awesome. I am pretty impressed with the company. I reached out to the CEO this morning.

Michael: What is the interest rate that they charge?

Lucas: They got a little diagram down there that likes to paint a pretty picture of like two to seven percent, but reality is, over a year, it looks like they are getting twenty percent of their money. It is a six-month loan, so it is not like a long-term loan. And they are not calling them loans. I think they are calling it

maybe equipment financing. There are definitely industry terms they are using there for probably legal reasons.

Michael: Yeah, sure. Well, I had a cash flow loan from my bank when I started iSixSigma back in 2000, back in Connecticut. You never know when you are going to be cash strapped and you just need a little bridge financing, or you want to make a little bit larger bet and buy some extra supply from a supplier, or what have you.

Lucas: Yeah, it is a great service. I think they are going to do well. I mean it is a lot like some of the crowd funding and some of the other things I have seen out there. So, it is going to be interesting just to see lenders. This guy has a background in banking. I checked him out - the CEO - and they have a great team. So, it is nice to see and it is pretty cool. I mean they will integrate to see how many Facebook likes you have. I mean they do like a quick what I would call exam all through your Internet. It is pretty cool.

Michael: Yeah. All right, Lucas, so here is the final question. It seems like you have nailed the process for straight razors. You have acquired a lot of domain names. You have built businesses. Maybe you will launch some more businesses around razors and blades of all types. We talked briefly about where you want to go in the future and it is into more luxury male gender items. What types of items might these include?

Lucas: So, I collect. I have thousands of pipes - Estate Pipes. Right now we are doing a lot of restoration and photographs and stuff.

Michael: So, what is an Estate Pipe?

Lucas: Estate Pipe is a vintage pipe. So, it is a pipe typically of heritage. So, a lot of these are French Briar or they are just older pipes. So, pipes that I buy at antique shops or offline. And there is a certain - pretty unique - process to restoring them. You soak them in vodka. You pack them with salt. You sweeten them. There is a certain way to clean a pipe. And it is just a really unique process. I like pipes. I am not big on smoking or smoke, but I have never been that offended when somebody smoked a pipe. I think you are going to see more people going back to traditional ways of smoking tobacco.

Michael: Yeah, it is a much different experience than the cigarette smoker that is standing next to you, blowing stinky smoke at you. It actually smells nice. My father used to smoke and you can choose all different types of tobacco. I remember going back into the tobacco store at the mall, and they had all these jars on the shelf, and each one had a unique smell. And I remember thinking it was fun as a kid to smell them all.

Lucas: Yeah, it is awesome. I mean I am not saying it is dignified to smoke either, but it is something I like and I am going to pursue that along with a few other things.

Michael: So, pipes.

Lucas: Flasks; like all kinds of male items. We do wine accessories. We made wooden wine racks and wine holders - things like that. Unfortunately, they seem like they are always centered around like blades, and drinking, and smoking. I like cigars. Humidors. Do all that stuff.

Michael: And do you own websites around all these other male gender niches?

Lucas: I do.

Michael: Wow, I do not know how you keep all those balls up in the air, Lucas.

Lucas: It is fun. I mean I really like it. You hear a lot of people in the main world say: "If you are going to go into eCommerce or you are going to do it direct, you have done different sites." You have to have an interest in it. You got to appreciate it and you got to nurture it. It is not going to happen unless you breathe some life into it.

Michael: Definitely. Well, I have learned a lot about sales and how you have built up your website, and how you have multiple websites, and businesses, and marketplaces servicing your one business. If people want to say thank

you, Lucas, for having done this interview and shared so much about the way your business runs, what is a good way for them to connect with you?

Lucas: I am really easy to reach. It is Luke@Devrich.com. That is the easiest way. Just email me or reach out on LinkedIn, or whether other means. I will share with you my contact information too after the interview. So, for people that did not get it off me just speaking it, they can shoot an email to me. I am really easy to talk with and easy to approach.

Michael: Cool. And are you on Twitter also? Do you use any Twitter accounts?

Lucas: I have Twitter accounts, but I do not really follow that much. I probably should, but I have just never been that up on Twitter.

Michael: No worries. All right, so Luke@Devrich.com.

Lucas Webster, Founder and Owner of VintageStraightRazor.com and a host of other Razor and Blade Sites. I want to be the first to thank you for coming on the show and sharing the details of your business and your operation. Thanks for being a Domain Sherpa.

Lucas: Thanks Michael. It has been a pleasure. It is always fun talking with you. Thanks.

Michael: Thank you all for watching. We'll see you next time.

Watch the full video at:

<http://www.domainsherpa.com/luke-webster-vintagestraightrazor-interview/>