

Make a Wish.co.uk and Build a \$1MM+ Business in Less Than 12 Months – With Richard Kershaw and Stephen Pavlovich

Watch the full video at:

<http://www.domainsherpa.com/wish-interview/>

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 directly from the experts.

Along with most Americans, I tend to be very US-centric in the topics that DomainSherpa.com publishes, including a focus on the .COM top-level domain, which is why I appreciate it so much when viewers reach out to me and say, 'hey, look at this'. I had a fantastic conversation with a gentleman about IDNs - International Domain Names - last week that really opened my eyes to what's going to happen with the new TLDs.

Today's guest also did the same thing. But instead of IDNs, today we're going to focus on CCTLDs - Country Code Top Level Domains. Our guests have the highest ranking .CO.UK domain name sale to date in 2012 and last summer they set up a widely popular eCommerce business on a four-letter .CO.UK domain name that's been featured on CNN, ABC, The New York Post, The Huffington Post, and many others in Britain, including The Sun, The Metro, and the Telegraph. And for anybody that's ever been over there, you realize how big those are. They have celebrities tweeting about their business, they're the masters of All Zombies in the UK, and they're convinced that it's the domain that has allowed them to stand out from the crowd for being such a small business.

Joining us are the Co-Founders of Wish.co.uk - Richard Kershaw and Stephen Pavlovich. Gentlemen, welcome to show.

Wish.co.uk: Hi there. Thank you for having us.

Michael: Let's start off with a little background on Wish.co.uk. Can you tell the audience what problem you solved for customers?

Wish.co.uk: Well, over in the UK, the products we sell are enormously popular and, in sure, we though we could sell them worldwide; as fun as the products we sell. So, my background was in Affiliate Marketing. I was one of the top affiliates for one of the big suppliers over here. And so, off the back of that, decided that it was something I wanted to do myself. So I approached Steve and we started the business together.

Michael: So you guys sell fun experiences through your website - Wish.co.uk.

Wish.co.uk: Yeah. We sell things like: if you want to learn how to fly a plane, you want to race a Ferrari, you want to battle zombies in an abandoned shopping mall; we sell tickets for all these sorts of things.

Michael: Great. [I'm sorry for the audience. I just realized we don't get sun very often. We're like the UK, here in Seattle. We don't get sun very often. And for some reason, it just decided to poke out from the clouds, so I'm totally washed out here. I'm going to shift just a little bit here, and then maybe shift back.] It's phenomenal. And anybody that's watching this interview or listening to this interview; if you get a chance to pop open a browser and go to Wish.co.uk, you can check out some of the things that they offer. For each of you - Richard and Stephen -, what is your favorite deal current on Wish?

Wish.co.uk: I have a feeling we'll both say the same answer, which is we offer a real life zombie shoot-'em-up in an abandoned shopping mall, which it would be hard to get something better than that. Although we are working on something that will hopefully go a lot better. But we offer a number of different zombie experiences at the moment that is the most popular one. We have people coming from the US, coming from all around the world, specifically to come and visit that. It's big with Americans, so we have a lot of American customers all of a sudden. So people fly in from California, New York - all of the states - coming over to battle zombies in the UK.

Michael: Yeah, it's pretty phenomenal. I told you just before our show. I went back on your blog, Richard, and I was reading through and figuring out the date that you actually launched, and I ran across a video produced about zombies in the location. I'm not sure if it was your video or somebody else's video, but it basically spent three minutes walking through what that experience is in the middle of nowhere, and how you need to battle all the zombies, and maybe find the medicine that can cure you from the zombie attack.

Wish.co.uk: Absolutely. It's a really bizarre experience.

Michael: It was phenomenal! And so, people are busting into rooms and throwing in their bomb. And then they're opening the door and coming out, you know, going with their paint guns to try and try to shoot the zombies. And then suddenly, a zombie attacks from the side. It's hilarious.

Wish.co.uk: The best thing is that we found some people who come down; like we've had journalists coming down and somebody's brought their partner along with them. There's always some people in the group who are a little bit cynical. You know, how could this actually be? Well, it's just been lots of people going, 'bang, bang. You're dead' and then you see them three, four hours later and they've been absolutely petrified, but also exhilarated at the same time.

Michael: Well, they're run at night I believe, right?

Wish.co.uk: We do a mixture. So we do sessions that start in the morning, the afternoon, and the evening. There are plenty of places in the mall that are dark because we deliberately keep the lighting down low. So there are parts, even if it's broad daylight outside, that could be pitch black and not know where they are.

Michael: Yeah. Well, for anybody that's played paintball, you know what a joke it sounds like until you're in that war zone and you're getting hit by balls. It feels like you're fighting for your life. So to have a zombie come out of nowhere with blood dripping down and white faces; and you're wearing your helmet and your camos and you got a gun - I'm sure it feels pretty serious during the time. So I had two favorites from Wish.co.uk. The tank driving experience looks phenomenal. You get to get in a tank and drive this thing. And then you've got another one that's a Ferrari versus Lamborghini driving experience. I'd come over to the UK just to do those two things.

Wish.co.uk: We'd love to have you. Also, I'm quite relieved that it wasn't the romantic break for three. That wasn't on your favorite list.

Michael: I did see that one too. My wife would not enjoy that one. She doesn't like to share me. All right. So you launched the business last summer - July 25, 2011. You're coming up on one year. I can't believe you've achieved everything that you have in less than a year. What is your anticipated revenue for the first twelve months of operation?

Wish.co.uk: We hope to be approaching seven figures our first year.

Michael: Wow!

Wish.co.uk: But you can also do that more unenthusiastically. There are a lot of ifs and buts attached to that. So we've spent the first twelve months trying to grow as rapid as possible, so take as many shortcuts as possible if that will let us scale the company big. And the priorities, so far, have been to keep the customer service as good as possible and to keep the products as good as possible. Everything else we've tried to scale so we can build as rapid as possible. So, design; we're scraping by with a relatively off-the-shelf design to begin with until we can invest in doing a new, super duper design, which we're still investing in the moment and still improving that.

Michael: Yeah. And you brought up fantastic points. As a developer, I understand how much work goes into these things - the development; the website hosting; eCommerce fulfillment. The customer service looks phenomenal. After I went through your site and I saw all of the customer service things, which I'm going to ask you about later in the show, I've got no qualms about buying anything on your website. You really remove a lot of the hesitations that buyers have, so I'm glad that you brought those up. Because it's clear that it was not an easy feat for you to get from zero to seven figures in the first year, so I'm going to ask you a lot more questions about that. That's actually going to be the focus of this entire video. But before we go into the back-story of how you two met, became partners, acquired Wish and built it into a successful business, I first want to learn more about the other domain name that you guys own. And I'm not sure if you owned it together or not, but it was sold April 18, 2012. Was that one or both of your domain names - Code.co.uk?

Wish.co.uk: That was my [Richard] other business.

Michael: Okay. So we're going to take a departure from both of you for just a moment. Code as in writing code? Is that the idea behind it Richard?

Wish.co.uk: Yeah, it actually sold to a voucher code website. So, people collecting discounts, coupons, and savings - that sort of thing.

Michael: Oh, okay. Promo codes. All right.

Wish.co.uk: Yeah. I know, in the US, RetailMeNot is huge. In the UK, VoucherCodes.co.uk are enormous and it sold to one of the companies basically.

Michael: Great. And so, when did you acquire Code.co.uk?

Wish.co.uk: About two years ago.

Michael: Okay. And you acquired it from a private individual or from an auction?

Wish.co.uk: I actually acquired it from another domainer. We did a slightly complicated deal. I had some domains and websites he wanted and he had some domains I wanted.

Michael: Did you do a swap - domains for domains? Or did you actually exchange any cash?

Wish.co.uk: Domains for sites and domains.

Michael: And so, is there an equivalent cash value that you acquired it for, Richard, that you could say? Like, I traded these and I think it was probably valued at about - two years ago - X dollars/pounds.

Wish.co.uk: I wouldn't really feel comfortable putting out figures like that, but (Unclear 10:22.0) figures to be honest.

Michael: Okay.

Wish.co.uk: But I mean I'm delighted with the sale price. I put quite a lot of work into selling the domain. I think I took quite a different route to most domainers. So, I went out and wrote letters to a hundred and fifty CEOs who run companies called Code Recruitment Ltd.; Code IT Ltd.; Code Entertaining Ltd. There's hundreds of these companies in the UK. I had someone track down the CEO of each company and approached them all. And one of the people I sold to was actually on that list, but it was still sort of a year sale cycle from the first approach to completing the deal.

Michael: Wow. All right. So that's great to know. So the sale is listed on Ron Jackson's DNJournal.com year to date sales chart. It's in spot number nineteen at eighteen thousand pounds, which has an equivalent dollar value of about twenty-eight thousand, eight hundred dollars. So you spent a year selling it. I believe it sold through Sedo; is that correct?

Wish.co.uk: I used Sedo to handle the sale and the transfer, yeah.

Michael: Okay. And so, what you did is you listed it on Sedo for the sale and transfer, but you actually went out to those a hundred and fifty leads and you said, 'It's for sale. Here is where it is'. Was it a make offer listing on Sedo or did it have a price?

Wish.co.uk: I went out and the letter basically said, 'this domain's for sale'; it was tailored to each person. 'This domain's for sale. Here's why I think it's of interest to you.' So, for example, there are three different recruitment companies in the UK - all called Code. Explained why it thought it should be of interest to them, showed them some comparable sales for four-letter .CO.UK domains, and put a price on it. So I did specify a price and I gave them a deadline to respond by. And the honest answer is, by the time the deadline came around, I had had, I think, fifteen offers. Fifteen offers from the hundred and fifty companies, but the offers were pretty low, so I didn't sell and I sold it over a year later.

Michael: So, they were all lower than your asking price.

Wish.co.uk: Yeah.

Michael: May I ask what your asking price was?

Wish.co.uk: Eighteen thousand pounds.

Michael: Okay.

Wish.co.uk: So the best offer I had, I think, at the time was round about two thousand - from memory.

Michael: That's terrible.

Wish.co.uk: Right. So it wasn't a hard decision to turn that down.

Michael: Right. Okay. So people clearly didn't understand the value of a four-letter domain name in the UK. They provided what they thought was a fair offer maybe; it wasn't good enough for you, so you decided not to sell it. How did you get from the highest, non-acceptable offer to eighteen thousand pounds?

Wish.co.uk: I kept saying no - is the short answer. I had a figure in mind. I mean, Sedo takes a fee for the transfer and all the rest of it. Once I pay tax on it. Basically I had a figure in mind for what I wanted to take away from the sale to make it worth selling. Sedo, I forget the exact fee I paid, but it's in the thousands of pounds. And then pay tax on it. So basically I had a figure in mind I wanted to achieve before I was prepared to let the domain so.

Michael: So basically you reached out to a hundred and fifty companies that were hand picked that you created customized sales letters for. You deliver it to them. You negotiated over the period of months in order to get them up to eighteen thousand pounds.

Wish.co.uk: Yeah, I think the final, sort of, stretch - we exchanged offers over four or six weeks; from memory, something like that.

Michael: And so, would you say, in your opinion, that it was mainly an educational process for them to learn the value of that domain name and get them up to the proper amount?

Wish.co.uk: No. The gentleman who bought it owned a number of fine domains, so it wasn't an education process. It was a question of simply agreeing a price.

Michael: Excellent. And what did you do with the proceeds from the sale, Richard?

Wish.co.uk: At the moment, nothing. I think it's probably going to go towards my tax bill.

Michael: What? You're not going to buy like a zombie encounter for all of your friends?

Wish.co.uk: I'd love to tell you that is what I've done. We're having a zombie office party.

Michael: That would be awesome. All right. Well, congratulations on the number one listed .CO.UK sale for 2012. I hope you hold onto that spot. It sounds like it's well earned. So let's get back into the Wish discussion for the interview. I want to take a step back and figure out how you two met. You have such interesting backgrounds. First, let me ask, what are your two backgrounds briefly? Let's start with you, Richard, and then we'll go to Stephen.

Wish.co.uk: I've been an affiliate since about 2005, so my background is in publishing websites and driving traffic to other companies and earning a referral fee. I run a big web hosting site called WhoIsHostingThis.com. I run a lot of smaller sites. And I've done that since 2006 - I went full time.

Michael: Okay. And so, that's something that I've never had on before. There's a whole industry set up for individuals who want to promote other people's goods and services, and they write you a commission. Whether one time or ongoing, they want people to do their marketing for them. So they

look for experts like you, who know how to do that marketing to take that off their plate.

Wish.co.uk: Yeah, that's a really nice description people quite often struggle to sum up. I think you've summed up better than I ever have done. But that's it in a nutshell.

Michael: Excellent. All right. How about you, Stephen? What is your background?

Wish.co.uk: So, my background is primarily in conversion rate optimization. So, turning traffic that a website gets into customers, so increasing the percentage that purchase something or fill out a lead generation form. So through my company - Conversion Factory -, we work with clients across the UK and US as well as far away as Australia on increasing their conversation rate across eCommerce sites or finance sites, lead generation - pretty much all sorts.

Michael: So that's a very cool area also. Like affiliate marketing isn't a whole interesting area, but conversation revenue optimization (CRO). That's the acronym that most defines what you do?

Wish.co.uk: Conversation rate optimization.

Michael: Conversation rate optimization. Okay. And your entire business is set up to help people make more money in their eCommerce process.

Wish.co.uk: Exactly. So, with taking the same amount of traffic that they have already, we will just make their website more persuasive, more usable so that even if they don't get anymore traffic, they can get ten, twenty, fifty, a hundred percent more sales out of it.

Michael: Stephen, I have a feeling that your phone is going to ring off-the-hook after this interview. And the first person to call you is going to be me because I've got some eCommerce stuff that I need help with. All right. So if we have time, we're going to talk a little bit about that during the show also. So how did you two meet?

Wish.co.uk: We met in Vegas.

Michael: Whoa, that sounds - was that a wish?

Wish.co.uk: That's all I can say. No, no. We met at PubCon.

Michael: Because what happens in Vegas, stays in Vegas.

Wish.co.uk: I wont him in a card game. Romantic experience.

Michael: For three.

Wish.co.uk: We met at PubCon - the Webmaster World Conference - back in 2007 I think it was. We had a couple of mutual friends and met over dinner. Ironically, we live nearby in London; we met five thousand miles away.

Michael: And you're both currently living in London area?

Wish.co.uk: Near enough.

Michael: Near enough.

Wish.co.uk: I travel a lot, so I'm kind of here half the year and abroad half the year and Stephen is, I guess, (Unclear 18:34.9).

Michael: Excellent. So you guys actually have more than one business. Is it fair to say, Richard, that your main business is Affiliate Marketing and Stephen; your main business is Conversion Rate Optimization? Or do you guys think of it as, yeah, you do those also, but your main business is Wish.co.uk? How do you think about it in your own minds?

Wish.co.uk: I think it's a balance between the two. So, for Conversion Factory, obviously, we have clients who we have to service, so we have staff at Conversion Factory who can do that as well. So essentially, because we're working on the conversion optimization for Wish, we treat Wish as though it

were another client. But obviously I'm involved a lot more than just on the conversion optimization side, so we work together on that side as well.

Michael: Okay.

Wish.co.uk: I think mine is a little different. I've been enjoying doing this so much that I've kind of knocked everything else on the head, so the sites I already own kind of sit there and take over and I've been able to dedicate myself to zombies. But it's basically my focus the last year.

Michael: Got it. And how do you guys distribute roles and responsibilities within the business?

Wish.co.uk: Badly, I think, is the short and correct answer. A kind of slightly longer answer would be; so there was some natural advantage that we both have. Richard is experienced in affiliate marketing, PPC and SEO as well. I have some background in SEO and PPC as well as he has some background in conversion optimization. So we match each others skills fairly well without necessarily needing one of us to own a particular area exclusively, which means that we can feedback on the work that the other is doing; and when one of us has been looking at a particular problem for too long, we can show it to the other for feedback.

Michael: Right.

Wish.co.uk: The downside of that is that there is no clear demarcation in terms of: you do this and I'll leave it to you completely; and I'll do this. But I think it's been far more of a positive than a negative way of working because it does mean we are able to progress very rapidly. As long as we manage our time and our projects effectively in terms of ensuring that work is completed on time, then we progress very rapidly and we get a decent level of feedback between the two of us - most of the time.

Michael: How do you pick the projects that each of you are going to work on? Do you have a regular weekly meeting, where you say, 'I'm going to work on this the upcoming week' and the next week you review what you've done? How does it work?

Wish.co.uk: We're very dependent on our arsenal of tools that we use. So we typically use Skype or a service, here in the UK, called PowWowNow.co.uk for conference calling; either between the two of us or with multiple people. We use Asama.com - I don't know if you're familiar with that -, which is a task management system. So it's similar to the to do section of Basecamp, but it's just purely focused on that and it's very, very quick and intuitive to use. And we also use Basecamp as well.

Basically our whole team works remotely, so the whole business has been set up from the point of view how do we set things up so we don't have to be in the same room.

Michael: Right.

Wish.co.uk: We're not normally in the same room on a Tuesday afternoon.

Michael: Excellent. Well, I appreciate you guys coming together so we can get you both on camera. I think a lot of people would love to have partners to keep them on track, to deliver output, to keep the business growing, but I think a lot of people are afraid of the downside of a partner too. How did you two know that you could work together on a business like Wish.co.uk?

Wish.co.uk: I think it helps the fact that we knew each other for about four years or so - three and a half - four years - before ever going into business with each other. So we toyed with various projects in the past, but nothing anywhere near as seriously as this. And it's worked amazingly well. I think I actually sent Richard a very soppy email about two months ago or so just saying - because we obviously get so caught up in the work that we're doing and results and success that we've had - that it occurred to me that it's surprising that two people can invest so much money, and so much time and passion into a project, and - correct me if I'm wrong - I don't think we've argued. That might be one of those bad things though. They say if you don't argue in your relationship, you're just ignoring the problems. Ask us again in two weeks and maybe it'll all have fallen apart.

From my point of view, I think the reason we decided to work together is we have very similar sense of humor, very similar attitude towards work, similar sort of goals and aspirations and I'd be reluctant to have done something similar with somebody I didn't know so well. Because, especially now I'm involved in it, it feels such like an enormous commitment. Stephen's girlfriend calls me his work wife.

Michael: It's a different word when you're not around. So it is a big commitment. You guys clearly are in a relationship - you're in a business relationship, but it feels sometimes that it may go beyond just the business and you're focused almost entirely on Wish.

Wish.co.uk: I'm sorry; I missed that.

Michael: Does it feel like you're focused almost entirely on Wish?

Wish.co.uk: Personally, I obviously have to balance the two businesses because Conversion Factory has paying clients, so we need to ensure that we are delivering consistent results there. So I have to balance my time normally a fair bit more than Richard does, who is more focused on Wish directly.

Michael: Okay. How did you guys come to acquire the domain name Wish.co.uk?

Wish.co.uk: Well, we were talking for weeks. We were trying to come up with a great name. We wanted to have a name that let us punch above our weight. And we were wracking our brains - what should it be? Should it be this? Should it be that? And everything we came up with was a little weak. We had one great name that I'd rather not mention because something may happen with that. We had one name we were trying to acquire. We couldn't acquire it and I went away to Iceland for the weekend. And I came back on the plane and I had an email from Sedo saying that there was an auction just starting and Wish.co.uk was the lead domain in the Sedo auction. So it felt like sort of act of God.

Michael: Yeah.

Wish.co.uk: They were just waiting for us to bid on it.

Michael: Yeah. Well, I love Wish. Four letter, short word. You wish you could do something. There are other great words like life experience or bucket list, or whatever you want to call it, but wish is just so short and so great.

Wish.co.uk: Thank you.

Michael: So, you bought it - I'm not sure if I have in my notes how much you bought it for, but that's public information, isn't it?

Wish.co.uk: Yeah. Seven and a half thousand pounds I think.

Michael: Seven and a half thousand pounds! What a deal!

Wish.co.uk: Which is what? Eleven and a half thousand dollars? Something like that.

Michael: Yeah.

Wish.co.uk: Yeah, it's the kind of domain that if we tell people that aren't in the industry, they say, 'oh my God, I can't believe that hadn't been taken already'. And if we tell people who are in the industry, they say, 'oh my God, that was an amazing price'.

Michael: Yeah.

Wish.co.uk: Our lawyer said he couldn't believe what we paid for it. He said it was an incredible deal.

Michael: Right. But then you tell your friends that aren't in the industry - that aren't on the Internet - that you paid seven and a half thousand pounds. They're like, 'what?! Are you crazy?'

Wish.co.uk: You should go to GoDaddy.

Michael: Yeah, exactly. Okay. So how did you decide that you wanted a .CO.UK rather than a .COM for your brand?

Wish.co.uk: Ideally, we would have both. So, in the UK, the balance is focused primarily on the .CO.UK domain, so we knew that we had to have the .CO.UK. Simply because, if we had a .COM and not .CO.UK, people would naturally type in the .CO.UK. We've got a little bit more forgiveness not owning the .COM. Like I said, ideally, we'd have both, but Wish.co.uk was such a good domain name that we were prepared to overlook the fact that we couldn't get the .COM as well.

Michael: Right. Okay. And so, all of the offerings that I can see on your website are UK experiences.

Wish.co.uk: Correct. At the moment, yeah.

Michael: So it makes sense to have it a .CO.UK when you launched the business, and built the company, and checked for viability, and offer your minimum viable product to prove the concept. So do you feel, right now, that you have any leakage from Wish.co.uk to the .COM equivalent?

Wish.co.uk: I think it's inevitable that there will be some leakage. That said, I don't believe Wish.com resolves at the moment, so it wouldn't be that hard for people to find us pretty soon afterwards.

Michael: Yeah. Okay. All right. So you acquired the domain name from an auction; you paid seven and a half thousand pounds for it. When you bought the domain name, you clearly had plans to develop it into some sort of daily deal or deal site or did you anticipate that, 'well, let's just buy it. We've got this idea. We may flip it. Let's see what happens'?

Wish.co.uk: No, we knew from day one that we wanted to launch an experience days website. So there are a couple of big players in that not just in the UK; we knew we could match them and hopefully beat them. And Richard saw the domain name Wish and then I think we purchased it; we knew that we wanted that for the project. We were still in, I guess, two minds as to how suitable it would be, but retrospectively, I think it would be hard

for us to have done better in terms of finding a domain that encapsulates what we do without limiting us in terms of being too descriptive.

I think it's a perfect description, yeah.

Michael: Yeah, I think it is too. So, Groupon has been going for a while. It was not until, I think, last January/February, or it might've been this January/February that they took off and started taking over the world and running groupons in every single area. Was that part of the impetus for you guys to thinking about launching Wish? Was there a relationship between the whole daily deal craze that was going on around the world?

Wish.co.uk: Not a huge amount. I think we try to keep ourselves relatively separated from the daily deals companies out there. We're focused on people who are buying experiences either for themselves, or friends or family. So it could be something that you can do this weekend or something you can give as a gift. We're not focused on a relatively small number of highly discounted products; rather a large range of products that we can hope people can find the experience that they want to do as apposed to giving them that narrow choice.

Michael: Got it. So I'm always going to be able to go to Wish.co.uk and buy the zombie experience, or buy the tank driving experience. And it's always going to be the lowest price offered on the web. And I can rely on you guys to deliver those fantastic experiences that people talk about.

Wish.co.uk: Precisely.

Michael: Okay. So I understand the distinction between the Groupon daily deal type offering and yours. So how do you generate revenue with your business?

Wish.co.uk: We sell products. If you buy a zombie experience ticket from us, what you get is a ticket in the post. And very shortly, an eVoucher will be an option as well. So you'll either get a ticket via email, or by the post and then you book in for the day you want to do it. So we're an old-fashioned retail store.

Michael: I love that. I bought my wife agroupon for a chocolate making experience in Seattle once. And it's great because I get a good deal and I can buy it for her and her friends so they could go have a great experience, but then the ownness is on me. I need to print out the coupon. I may need to make it look pretty. I need to find a box. I need to wrap it. You guys take care of that. You say the post, which for those of us in the US that means the mail. So you mail them something in a box that they can then wrap and give to their significant other or hunny, or whatever. So I love that experience.

Wish.co.uk: I think at the moment we've got the gift giving side pretty much sorted because it comes in a presentation box. It looks nice. You can just wrap it yourself or give it as the box and it's already wrapped essentially. The thing that we're not doing so well at the moment is the immediate gratification. So for people who aren't buying it as a present, they're buying it for themselves who want to be able to book it in straight away. We are working on the integration for that at the moment, so we should have that live within the next week or two. It's really taken off in the last month or so; that people have been asking for that much more.

Michael: Right. So if somebody wants to opt to downloading an e-coupon immediately and printing it, you can remove the mail option of a box with a certificate. And suddenly you're saving move money; you're making more money on the deal.

Wish.co.uk: Yeah. But also, more importantly, sort of from the point of view of view of customer experience, they get their order in a heartbeat.

Michael: They get what they want when they want it. Yeah.

Wish.co.uk: Right.

Michael: For those of us that don't plan well enough to buy in advance, exactly.

Wish.co.uk: You and me both. That's the inspiration behind that.

Also, one other problem with that is, we were selling the tickets to the zombie shopping mall experience and the shopping mall itself is going to be demolished at some point in the future. We don't exactly know when. So we were selling tickets for a product that was hugely popular that Simon Pegg was tweeting about. It was being talked about all around the world and we have very, very limited dates. And we were saying to people, 'yeah, we'll send you the voucher in the mail and you'll have it tomorrow hopefully and then you can book it'; and it seems like a very antiquated system, which works well for gifts, but not for us.

So we're going to join the 21 Century. I mean the bottom line is: you mentioned the phrase earlier, minimal viable product. Our motto from day one has been "Get Stuff Out the Door". In every instance, it's been a case of, get something live and we'll improve it later. So what you're seeing on the site now - it was a lot of like mark one a year ago and sort of what we have in our heads is somewhere down the road, but we're just keen to get stuff out and, well to be short, generating revenue rather than talking about it for months and maybe getting something live in the future. So we've got lots of exciting ideas for down the line. It's just takes time to put them into practice.

Michael: Definitely. All right. And you mentioned Simon Pegg tweeted the zombie experience. I have no idea who he is, but he's wildly famous over in the UK. He's got four and a half million Twitter followers. He's a comedian?

Wish.co.uk: He's in the new Star Trek films as well. Simon Pegg. And Shaun of the Dead - the zombie film, so there seems to be a lot of love for him the US as well.

I think he's a top ten Twitter user in the UK.

Michael: Yeah. All right. So the business model is you go find businesses that have phenomenal life experiences - experience days as you call them. You convince them that you can sell a ton of them. Going back to, Richard, your background in affiliate marketing. And then, you bring it onto your system, you sell it and then you somehow transfer all of the information about the purchases or the physical product to the customer, who then shows up for the experience. Is it similar to a Groupon, where, I believe, Groupon

will get a supplier to significantly reduce the price to some fee and then Groupon will take half of that and give, basically, a quarter of the original price back to the supplier. Is it similar in nature to that?

Wish.co.uk: Similar, although we don't squeeze the margins to the extent of that Groupon would. Because what we want to do is offer amazing experiences where the customer is happy, but also the provider of the experience is happy as well. We don't want to do short-term deals that then, in a lot of cases that we've seen in the UK, can screw over the merchant. So we're interested in you can buy a tank experience today; hopefully you'll be able to buy the same tank experience in six months. And the reason it's on there is because it's getting consistently good feedback from our customers.

Michael: And that's a great point. I think Groupon is great to bring new customers to try something. Go buy a sandwich and get a sandwich for free at a certain location that never has had customers before and they can try it. Whereas yours - the zombie experience; that may be the one time you ever do a zombie experience. And so, you don't want to give it away. You just want to discount it to get them over the hurdle of trying it. How do you convince suppliers to give you the lowest price that's offered in the world period?

Wish.co.uk: Well, for the majority of the products that we offer on Wish, we're working with a partner company. So they take care of a lot of, what we call, the grown-up work in terms of handling the relationships with suppliers; getting them onboard; going through all the legal side that neither of us would be particularly good at. So they handle a lot of the logistics on that side - the client relationship. For some specific products - the zombies being a perfect example -, we get a lot more involved in those in terms of the promotion, the publicity, working directly with suppliers, getting press to the events, getting additional Q&As live on the website and so on. So we go to a lot more lengths on those products, but the majority we work with our agencies that handle that.

Michael: Richard, were you going to say something?

Wish.co.uk: Just the bottom line - to put it in a sentence. We paired up with a company who handles things like logistics much better than we ever can. So

they handle, like Stephen said - it's a great phrase -, a lot of grown-up work and we focus on the stuff that we do well, which is basically marketing and selling stuff.

Michael: Right. Okay. So it seems to me, from my outside perspective looking in, that you've got a company that runs your backend. You've got a company that does your design work. You've got a company that does grown-up work of negotiating deals with suppliers. Is that fair to say that you've got three outside companies that you work with that do those functions?

Wish.co.uk: So, the main company that we work with handles, essentially, the fulfillment. So it's as though if a company, for example, in the US were white-labeling Target.com, for example, then Target would do the fulfillment. They'd send stuff to the post. But we handle the website design and the customer service for the most part. Getting the products onto the website and adding the contents.

But, most importantly, the marketing and sales. It lets us focus on the stuff we're good at.

Michael: Yeah. Okay. So you're doing the design, you're doing the customer service, you're doing the content on the website, listing the products for sale, highlighting the products for sale and then the marketing, and then the sales. And then once a sale is complete, it goes to the fulfillment house, who then fulfills it. And the fulfillment house also does the negotiations with suppliers to bring in new products?

Wish.co.uk: Correct.

Michael: All right. That makes sense. So who is this fantastic fulfillment house that does all the backend grown-up work for you guys?

Wish.co.uk: We'll plead the fifth.

Michael: All right. So there are companies out there that will do this for other companies? Is that a standard thing or did you have to negotiate it specifically?

Wish.co.uk: It's standard and non-standard in that they work with some other companies here in the UK - some of the very, very big supermarkets, for example. One or two of them they work with. On the whole, they only do this with a handful of companies. So I think we are one of, if not the first, essentially startups to work them on this basis. So it's not a publicly available deal. They work with a very small number of people. I think it's only because of the amount of time we take up of theirs as well. We are pretty demanding, as you would imagine, but hopefully we get very, very good results for them as well.

Michael: Yeah. And are they compensated on a base amount per month, let's say, or are they compensated for every product that goes out the door?

Wish.co.uk: Every product that goes out the door. So there's a fixed level of commission, and we take our portion and they take theirs.

It's a revenue share.

Michael: It's a revenue share. Great. But there is a fixed amount per month as well. Just to make sure that they get a base amount.

Wish.co.uk: No.

Michael: No, it's completely revenue share there. They're sharing in the revenue of basically every product that goes out. So they want to find great products as much as you do.

Wish.co.uk: Exactly.

Michael: They want to encourage you guys to get them into the system as quickly as possible. They want to make sure that you guys have the best customer service to get more stuff sold. And then, they want to get that

product out to the customer - fulfilled - because they can only get the money when you guys get the money in.

Wish.co.uk: Exactly so.

Michael: Okay. That makes sense. All right. So the model is different that Groupon. The website is beautiful right now. It's interesting for you guys to say, 'well, that was our first version of the website' because it looks great to me. It's fully functional. I'm interested to see when your next version comes out. Do you have a date in mind for that?

Wish.co.uk: What you see on the website at the moment is the second iteration of the design. The majority of the changes that we're making at the moment are within the structure of that design, so we're looking at functional changes in terms of developing the account in particular. We know it needs a lot of work, which is also related to the move to e-Vouchers as well. So, we're keen to add more functionality in terms of Facebook integration, product reviews, the checkout - like I mentioned. But the overall design is I think going to stay; for at least some of the time being.

So, we launched with a ninety-nine dollar theme. We run on a system called Magento. You may have heard of it. It's a very popular eCommerce engine. It's now owned by a subsidiary of Ebay. So we run on Magento. We bought a ninety-nine dollar; hey, I think we might've splashed out a hundred and nineteen dollar Magento theme to launch. Because we went from signing our deal to our first order in twelve weeks.

Michael: Wow.

Wish.co.uk: So we really were racing to try and get something live. So we bought an off-the-shelf theme. It kind of sucked. We made it something moderately less. And then, starting this year, we went live with what you see now, which is more of a professional design.

Michael: That's awesome. And I was just about to ask that. I went to BuiltWith.com, which is a site that I use to go check out and see how people build their websites. I look at what's behind your website. I saw that you were

running Magento - an eCommerce Content Management used by large brands like The North Face. I saw that you're also crazy into Analytics. You've got Google Analytics. You've got KISSmetrics. You've got Crazy Egg, which allows you to look at your heat maps of where people are going on the website. You've got Chartbeat. And, of course, you've got Facebook integrated in, so you've got the Facebook Insights. You're optimized with things like CloudFlare, so that you know that people are being served quickly with the website. A ton of other great functionality. Did you literally just contract with Magento to run the site and they do the hosting for you, and then you just needed a theme that you can then customize to get up and running - much like bloggers will do with WordPress? They'll find a host. They'll implement their theme and they're up and running.

Wish.co.uk: No. Magento do offer a service like that. I think it's called Magento Go. We didn't use it. We thought we'd take the difficult, expensive route instead of the quick, easy and cheap one. I think the route we've taken, basically, we've got control over everything. Because of Stephen's background in conversion and my background in worrying too much about detail, we wanted a system where we could control the sort of tiny details. So you can use this software as a service version of Magento. I've got no experience with it. We built our site by ourselves. So we host with a company in the UK, called Memset. They do hosting for the BBC and some big chain stores like Debenhams. In terms of the analytics and stuff; that's all Stephen's area.

Michael: Yeah. How did you pick so many Analytic programs, Stephen?

Wish.co.uk: So, typically, they are ones that we would use at Conversion Factory. So when we're working with clients, one of the first things we want to do is to see how users are interacting with the website to see what the sales kind of looks like. Where people are entering; where people are dropping off. To get a feel, also, for what keywords they're searching for, so we can get an idea of what's their intent when they come to the website. Where they go. First of all, how well does that page match their intent from the keywords, and what does their path through the website look like and where are the biggest drop offs. Because as soon as we know where people are dropping off

on the website, we can then look into using other tools to find why they're dropping off and then fix that and split test is.

Michael: Yeah. And I can see what a tremendous advantage Wish.co.uk has to having both of you guys on the team, but clearly in the conversion rate optimization and look at where people drop off. Because I'll add this to my cart left and right, but then I won't complete the transaction. And why is it that I don't and how do you convince me to do that. And I can't remember what website it is, but at some point I put something in my cart and then left. But I was signed in, so they knew it and a day later they sent me an email saying, 'hey, if you buy this today, we'll give you ten percent off'. So I bought. Like, those things that you can do to get people to complete the transaction that were interested is a great idea.

Wish.co.uk: One thing with that though is one of the big hardware stores in the UK does a similar offer. In fact, it's really popular actually doing that email cart abandonment. There's one company here in the UK - one of the hardware stores -, which is huge, but they do that as well. If you add something to your cart, then start to complete checkout and then leave it, they will send you - I think it's within twenty-four hours - ten percent off coupon. Which now means that every time I want to buy something, I go there. I go through this little dance - this little ritual - every time.

Michael: Right.

Wish.co.uk: That's not how they're expecting it to work.

Michael: Right. But you're an exception to the rule, Stephen. Most people aren't like you.

Wish.co.uk: The great thing about having the many and varied Analytics packages we use is, I feel like we have a really good hand on how people use the site. And, as you said, there's so many mysteries to how people, you know, why did you put stuff in your basket and not complete your order? There are so many unknowns that you can't have too much data. That's basically the bottom line. We use this service for all of our business, which we're both a big fan of, called UserTesting.com, where you can watch real

users use your website, see where they drop off, what things don't they understand, but as you see, we use a whole armory of tools like that.

Michael: Yeah, and User Testing is great. Basically, you say I want five people in this demographics to go on my website, to find this product and to checkout with it through this procedure. And then they'll record it on their screen, they'll record what their thoughts are while they're going through and then they'll give you a video so you can watch what they do. It's a fantastic service.

Wish.co.uk: In fact, on that note, while I think about it, I have a coupon code that they sent me the other day, which I can give out. I'm speaking at a conference next week. I'm sure they wouldn't be offended if I send the details. And if it's of use to people who are watching this, then we can include in there as well.

Michael: Great. That would be perfect. So I completely understand where you're saying you wanted to control the experience, Richard. WordPress is the biggest blogging platform in the world. I use WordPress on DomainSherpa. I've got it on a bunch of other publishing sites that I have that have hundreds of thousands of readers. But I didn't go to WordPress.com to host, because they force you into their rigid hosting requirements. You can't change tables. You can't do this or install certain plugins. And so, that's the same experience that it sounds like you had. You wanted to control it a little bit more, so you picked an outside host that has Magento, or you installed Magento?

Wish.co.uk: Yeah, we set up the whole thing ourselves. We moved, like I said, to a company called Memset a couple of months ago. But we basically wanted, if you like, granular control over those small decisions because, at the end of the day, the stuff that impacts whether or not someone completes their order is all about a thousand tiny decisions. So that's why we wanted and need control over those kind of tiny, tiny details about the site.

Michael: Yeah. Definitely. Stephen, I didn't ask you this before we started, but do you have statistics on your initial conversion rate optimization or

conversion rate when you first launched, say, within the first month or two and what you're doing today?

Wish.co.uk: No is the short answer, again, for that. The reason for that is the conversion rate in itself over time is never particularly a good metric because it can be massively biased by the quality of the traffic that you're getting. So say, for example, in the last couple of months, we've had a huge amount of traffic from social media - from Facebook; from Reddit. We've had a lot of people coming from the US. In one month, I think, we had well over five hundred thousand visitors; of whom I think half at least are people in the US. Obviously those people are farther slightly to purchase than people in the UK, meaning our conversion rate might have tanked, but it doesn't necessarily mean that the website is performing any worse.

Michael: Right. Okay. So you think conversion rate from everybody that comes on to the website down the funnel to who purchases. Not necessarily who adds something to their cart and starts the process.

Wish.co.uk: Pretty much. Yeah. So, generally speaking, when we look at the conversion rate; the main time in the conversion rate is relevant when we're doing an AB split test, which is where we have, say, two different versions of our shopping cart and it'll show fifty percent of people in version A; the other fifty percent in version B. And then we alternate between them in real time. And then, obviously, that accounts for any differences that we're going to get in traffic - if you got a lot of social people; if you don't have a lot of social people. It will affect both variations equally and then you can track which of the two leads to more sales. And then you'll know you could measure with statistical significance which versions is going to be the one to go with.

Michael: And does Magento allow you to split test things like your shopping cart, or page layout, or the checkout process?

Wish.co.uk: Not natively, so there's a tool that we use called Visual Website Optimizer. And the way that it works is it takes, essentially, the flat HTML that's provided by Magento, and then it manipulates that. So it doesn't necessarily need to be integrated into the backend itself because it will take the product of that.

Visual Website Optimizer really is an amazing - this sounds like advertorial - product. I've used Google Website Optimizer for a couple years, but it was like banging my head against a brick wall. I just gave up on the thing. But Visual Website Optimizer is magnificent. It's so easy to use. You add a snippet of JavaScript once and then you can make any cosmetic change you can think of. With the sort of WYSIWYG editor, you can drag things; move things.

Michael: Wow.

Wish.co.uk: It's an absolute dream to use.

Michael: Yeah, I heard the Founder of Visual Website Optimizer being interviewed on Andrew Warner's Mixergy.com - an Indian gentleman, I believe. Fantastic story. It sounds like a great tool. I've never used it. On one of my other publishing companies, we have a store and I've been thinking how can I focus in on the conversion rate optimization. It seems like it's definitely a tool I need to look at further to figure out how I can improve the conversion rate.

Wish.co.uk: It's a lot of fun. If you set up a trial account and then type your URL into the WYSIWYG editor, it'll basically show you a representation of your page. And you can just hover over different elements whether it's the header or an individual part of that. And you can click on it. You can move it around and resize it. You can change the HTML, or the JavaScript, or the CSS as well. You can have a lot of fun with it.

Michael: Wow. So, back to the technology, because I think a lot of domain investors - they buy these fantastic domain names and then they've got very little development experience; very little marketing experience online. Would you say that running a Magento eCommerce Content Management System is similar in nature to installing and running WordPress for blogs?

Wish.co.uk: It's a lot more complex than WordPress. Everything from the setup to the management. I mean, you can do some very fancy things. We can run multi-currency stores. We can run multiple stores off one in-store. We

can do all sorts of very clever things. We can run a mobile store from it. The downside is it's not that straightforward to use, so there's a definite learning curve.

Michael: So it is more difficult than a regular blog to set up and use.

Wish.co.uk: I think so. I think if we had no technical expertise and we were reluctant to work with people who could provide that, then there are others tools like Shopify.

Michael: Shopify, right. Where they run everything for you. But it takes a lot of your customization away as well.

Wish.co.uk: Precisely, yeah.

Michael: What was the biggest technology snafu that you two experienced during the launch and growth of Wish.co.uk?

Wish.co.uk: It would probably be when Mr. Simon Pegg tweeted, which you can see two things happening pretty much straight away. The traffic going like that and the site going like that.

Michael: Performance going down.

Wish.co.uk: Yeah. Initially, it didn't handle well at all. Since then, it is very, very robust now. So, to give an example, I think it might have been a couple of weeks later, after Simon Pegg tweeted about us, Stephen Fry tweeted about us, who is one, if not the biggest, Twitter users in the UK and the site held up admirably. It was being pounded with traffic.

We got it down pact now, so it was a little bit of a learning curve. We found that our caching system, originally, wasn't working very well. We now use CloudFlare as you mentioned earlier. CloudFlare is a great tool.

Michael: It is.

Wish.co.uk: If any of your viewers aren't familiar with it, you run your DNS through it and it just sets up cash. It's like you set up and it's like that. It's very, very easy. It costs, I think, thirty dollars a month and, instantly, you can deal with an awful lot more traffic. We also run a custom cash on the site. It's sort of various other bits and pieces to do with performance. So that's definitely been kind of a learning curve, but I like to think it's a good problem to have.

Michael: It is a good problem. Yeah.

Wish.co.uk: It's because we're not used to have so much traffic to deal with.

Michael: Yeah. Most startups would kill to have that problem. Most startups in the world labor under obscurity and never have more than a hundred people per day visiting. What kind of traffic per month do you guys see on average and what was your biggest traffic day that you ever experienced?

Wish.co.uk: Our peak was around half a million visits in a thirty-day period.

Michael: Wow!

Wish.co.uk: Our daily peak. That's a good question. I think more like a hundred thousand - something in that sort of region. That's from memory, but you get some idea of our biggest.

Michael: So your average every month is about one hundred thousand visitors?

Wish.co.uk: I would say that's about right. Basically, when we do big PR pushes or we've had mentions from celebrities, the traffic goes through the roof; so it kind of skews the numbers a lot. But I think when we started out last year, it was kind of twenty thousand visits a month. And mid-March to mid-April was, like I said, around half a million. So it's kind of hard to give (Unclear 57:00.2).

Michael: Right. And you keep putting out great products that people want to talk about and they want to tell their friends about. And then your company is

just going to continue to be high every month. Because that'll just be the normal.

Wish.co.uk: That's the idea we see.

Michael: Yeah. All right. Do you get most of your traffic through Twitter as a social media, or are you seeing anything on Google+ coming in, or is Facebook a big driver?

Wish.co.uk: Facebook has been huge. Reddit has been awesome. Twitter is pretty popular - less than I think Facebook and Reddit are. They're the biggest sources of traffic we've seen so far.

Michael: Yeah.

Wish.co.uk: It's kind of interesting looking at the social media stuff. Because every time I sit down to make generalizations, I have my general (Unclear 57:46.2) turn on their head. So I was telling somebody a couple weeks ago, you know, Facebook is about twenty times the size of Twitter for us. A week later Twitter was twice the size of Facebook for us. So it really depends on the kind of what's doing at the moment and different kinds of content do better on different sites. But in this country, Facebook is, I think, a similar distribution to the US. Facebook in the UK, I think, has twenty times the number of users of Twitter. So, Facebook is more of a priority. But every time I say that, somebody goes nuts on Twitter and then Twitter is huge for us. It's difficult to draw conclusions other than all I know is I don't know very much.

Michael: And so, of course you want to be on Google+ because you want Google to index and show your zombie experiences at the highest level when somebody types in zombie. How much exposure do you get from Google+?

Wish.co.uk: We had a visit from it last week.

Michael: All right.

Wish.co.uk: Actually, I think there was a time when the zombie shopping mall first launched, I think we were getting around a thousand likes on Facebook for every +1 on Google. I'm not sure what the difference is now. I think Google+ has picked up a lot more recently, but I think it's (Unclear 59:15.2) much slower than Facebook. But then that's what we would expect.

It also sends very little traffic for the action of getting the votes, whereas Facebook is incredible for traffic. Google+1 is just sending nothing.

Michael: Yeah. Okay. So I'm going to ask you about how you got all this press experience, but first, do a couple of nuts and bolts questions. How much did you guys invest into getting the site up and running with the first product in the marketplace?

Wish.co.uk: I'm sorry. Can you read the question through again?

Michael: Stephen, is there somebody over there that you want to bring on the camera?

Wish.co.uk: No. It's the last person leaving the office making sure that we can lock up.

We didn't want to get locked into the office tonight.

Michael: I should point out that it is coming up on 6 PM your time in the UK, right?

Wish.co.uk: Yeah.

Michael: So I appreciate you guys staying after work and doing the show. Because I'm not great unless I have my coffee in the morning, so I appreciate that. Let me say that. So the question was, how much did you guys need to invest in order to get the Wish.co.uk marketplace up and running with your first product?

Wish.co.uk: The minimum sort of amount that we spent to get minimum viable product out the door - I'm going to guess - was about fifteen thousand

pounds. But, as Stephen said, we've kind of from day one just tried to do as much as fast as possible, so we spent a lot more. But the domain was seven and half thousand pounds. We spent a lot of money on lawyers. We spent money on developers. Copywriters. Content was a big investment for us at the beginning. I'm going to guess somewhere between fifteen and twenty thousand pounds was basically the initial get out the door.

Michael: So, fifteen to twenty thousand pounds included the lawyers writing the contracts for the suppliers, the content that was written for the website, the development to take your \$119 theme and get it over to your host, and paying your host. All of that in fifteen to twenty thousand pounds, and then another seven and a half thousand pounds for the domain name.

Wish.co.uk: That includes the domain name

Michael: Including the domain name. So this is a phenomenal story. I just want to point that out to anybody that's thinking about doing development on one of their premium domain names. That it doesn't need to be a fifteen thousand dollar investment to get it up and running. You need to do what you're doing, clearly, or find the right partners. But you can do it for a cost effective amount.

Wish.co.uk: Well, we're backed really tight. The whole thing from the beginning was we wanted to get something out the door and have it generating sales. And I know people who have run startups, who have been through enormous sums of money and never launched. And we were acutely aware that as soon as we got something out the door, as soon as we got that \$119 working for us, it would be generating sales. It was an asset, not a liability. So, from day one, everything was about getting it out the door. Like I said earlier, we went from signing the deal with our suppliers to our first order in twelve weeks.

Michael: And how long was the site running before you got your first order?

Wish.co.uk: I meant to check this because I knew you would ask, and I forgot to look. I don't honestly know.

Michael: It wasn't the first day. You would remember that.

Wish.co.uk: I think it might have been five or seven days. We have got (Unclear 1:02:46.1) refreshing the screen.

Michael: Yeah.

Wish.co.uk: It turns out that doesn't bring customers in.

Michael: It does not. It brings some page views, maybe. So, within five to seven days, you got your first order.

Wish.co.uk: Yeah.

Michael: Okay. And so, it was probably very painful during those five to seven days saying, 'looking what we built. It looks great. And why isn't anybody buying this? We told all of our friends and family'.

Wish.co.uk: I don't remember it being too painful. I think maybe we weren't expecting too much straight away because obviously the traffic has to come from somewhere and we weren't ready to go with PPC out of the box. We weren't, obviously, ranking anywhere. So, yeah, going back. I mean for that length of time we weren't even ranking for our brand name, let alone any product, so we weren't expecting a huge amount. And it started as a trickle and then in the last three, four months or so became over flood.

Yeah, we weren't expecting too much and we weren't disappointed is probably the summary. The first few months were very, very quiet.

Michael: Yeah.

Wish.co.uk: Desperately, desperately quiet. And then the turning point was probably October. It started to pick up. And then November we had our first really big piece of press coverage in November and that was the big tipping point.

Michael: Would you say that it was a requirement to have a phenomenal product or set of products in order to get that press? Like, if you didn't have the zombie offerings, then you wouldn't have gotten that press. Can you make some sort of conclusion like that looking back?

Wish.co.uk: I sort of feel like if your products suck, you're going to struggle to get press. And if your products are interesting or at least different, you're fighting less of an uphill battle. So my background as an affiliate, I worked in lots of different sectors. Like, web hosting I've done a lot in. But everything from kitchen appliances to travel to anything you can think of. And my big bug bear, when I was working with these companies, was they were not making their products sound interesting. And if you want me to spend money with you, I want you to convince me I'm spending money on something interesting. So it was sort of a cornerstone of what we've done from day one; that we wanted the products to be a talking point.

Michael: Yeah, that's a great point. AppSumo. Are you guys familiar with AppSumo? AppSumo.com.

Wish.co.uk: Yeah.

Michael: They do a fantastic job taking regular software apps for a startup or entrepreneurial community and turning them into something interesting that people will want to read whether they buy or not. But the first step is getting them to read it and then, somehow convincing them that it's going to improve their life.

Wish.co.uk: And basically, I'm far more happy to part with money if somebody makes me smile, or if it's interesting, or if it's funny.

Michael: That's true.

Wish.co.uk: I think the worst crime in life is to bore people, so we try not to.

Michael: All right. So you guys started off slow. Now you've got a run rate of a million pounds per year. What about the profit? Are you guys going to make any money at the end of the first year?

Wish.co.uk: We're doing our best not to. And I mean that pretty much as serious as possible, in that the profit that we are making we are investing back into the business. So we're not looking to make a quick buck in this. We're building a real company that we are hoping will compete with some of the biggest players in the space within a very short space of time, so, hopefully, within the next twelve months.

Michael: All right. So you guys have revenue sources. You have personal income through your other other means. You got together on this. You're investing all of the profits back into the business & the new design, the customer service, getting the eCommerce fulfillment that people want; all those great things. All the profits go back into the company because you want to build it to bigger. And when it's bigger and it's phenomenal, then you'll have your profit coming off the company.

Wish.co.uk: Exactly.

Michael: Excellent. Great game plan. All right. Let's talk about how you've been able to get so much positive press from ABC, New York Post, Glamour, and Esquire. You've got testimonial after testimonial on the website. They're phenomenal. How do you do that?

Wish.co.uk: We blackmail a lot of journalists.

Michael: Nice! So you call up their voicemail, you try a bunch of numbers, and then you get it to their voicemail system.

Wish.co.uk: That's how we do it in the UK. We learn from the best.

No, joking aside, we work with a really good PR agency. Which is something if you told me a couple years ago, I would've said no such thing, but we work with a sensational PR agency in the UK, called 10 Yetis. They work with some other big sites over here and there an absolutely dream to work with.

Michael: How do you spell that name, Richard?

Wish.co.uk: 10Yetis.com.

Michael: Okay. Great. Thank you. And so, what does a PR agency do for you and how much do you have to pay them to do that?

Wish.co.uk: We provide the product & experiences. Often, we set up stories specifically for them. We then work with them to reach out to specific journalists or publications. So we would either do things like have a press day, for example, which is where we have involved members of the press come down to an abandoned shopping mall and shoot zombies and, normally, very few of them refuse. So, one thing that we've done in the past was the romantic break for three, which it sounds as though it should be a spoof product; it was actually a real product that we sourced and we launched just before Valentines Day. So, again, we worked with them to reach out to publications to get them ongoing.

Michael: So, basically, you pick the products that you're already selling. You've got your great copy written online about it, and videos, and everything else you do. And then you go to your PR agency and you say, 'here's a couple of different ways that you can promote this'. And then they add some creativity on top of that as well. They go out to their list of contacts & newspapers, magazines, news shows, blogs & and they get you the coverage.

Wish.co.uk: Precisely.

Pretty much. I mean it's definitely a partnership. I think a lot of people expect to cut a check to a PR agency and just, yeah, 'why aren't I on the front of the New York Times yet?' It's definitely not like that. It's very much a partnership. We work with them very closely - what we're doing next; how we position it; how we frame it. It's definitely a partnership. It's not just a sort of, you know, we parlay the money and they make the magic happen.

Michael: So how many products do you work with them per year would you say? Do you have a goal to do one product per quarter? Or is per quarter to frequent and you need to target like a couple of holidays? How does that work?

Wish.co.uk: It really depends on the opportunities that we have available to us at the time. So it could be that we focus exclusively on one product for three months if we think we have a huge opportunity there, or we could do smaller amounts of work on a number of different products. So, at the moment, we are focusing almost exclusively on a couple of the zombie experiences that we do simply because we've had such great results with them and the customers love them as well. So it seems to be a natural match.

Michael: And do you compensate them based on sales that come in, based on new users that visit the website, or is it just a flat fee? How does that work?

Wish.co.uk: It's a flat retainer.

Michael: Okay. And how much do you pay them?

Wish.co.uk: In US dollars it would be around three thousand dollars per month. We have recently increased the amount we're spending with them somewhere beyond that.

Michael: All right. Well, thank you for sharing that. I didn't think you were going to tell me. So that's fantastic. You know, when you guys are running maybe, if I had to take a ballpark estimate given that your run rate is coming up on a million pounds and you started off slow, you're doing pretty well per month. You're in the six figures for sale, so spending like three thousand dollars per month or three thousand pounds, that order of magnitude, I think, gives people a good idea that you need to spend money in order to drive more sales to the company and get more publicity for your products.

Wish.co.uk: We're not shy about spending money. In that respect, what I would add is that the whole sort of PR thing, they do an awful lot dealing with journalists and then we have our own sort of part of the equation, if you like. So we're organizing the press days. We're helping arrange travel for journalists. Like there are all sorts of stuff that goes with it, so it's quite an involved process.

Michael: Yeah. Stephen, you're a CRO expert. How much do you attribute in sales to the press that comes in versus search engine optimization versus natural promotion by your customer base?

Wish.co.uk: It's pretty hard to separate them out. I would hazard to guess that a lot of the work that we're doing in PR. It tends to work in a cycle in that the PR work that we do leads to more coverage on Facebook, but it also gets us some links. Those links then help us rank better, which brings in more traffic as well. So it's very, very difficult to separate them out and attribute a specific ROI to each channel. That said, I don't think it would be possible to separate them out simply because we can see through Analytics what's happening on our website, and where people are coming from, and the amount of revenue and profit that generates. But what we can't see is what happened before that in terms of was it a result of the press coverage or something on Facebook or Twitter that led to someone Googling zombie shopping mall and then coming to us for example. So it's hard to separate out.

It's definitely harder than my other projects, where it's usually a bit easier to say, 'right, this guy came from here and he bought this'. I've normally found it pretty straightforward, but it's like cracking DaVinci code trying to work out why our customers bought stuff.

Michael: But on the days that you're featured in the Telegraph or the Sun, you do see a peak in visitors that day. And do you see a peak in revenue as well?

Wish.co.uk: Not necessarily. So, typically, the products that we're selling ₤ some of them can be sold and can be bought immediately is (Unclear 1:13:31.6). Other ones, like the zombie shopping mall, we have people doing it in groups - anywhere from groups of two, three, four to fifteen, sixteen, seventeen people. Obviously, those are exactly the kind of customers that we want and it's for those people to get everyone together, especially to get all the funds together in order to place an order. So we normally see a delay between the coverage, but we do naturally get some on the day as well.

Michael: Yeah. That makes sense. If I found out about your service for the first time, I definitely want to buy my wife something. But I'm going to wait until her birthday. I'm going to wait until the holidays. I can see that. Okay.

Wish.co.uk: And they can't buy tickets for a lot of them. Some of them are definitely impulse purchases. Some of the stuff we sell is twenty quid. But the shopping mall, for example, is a £139 a ticket. So most people are kind of hearing about it. They go to the pub. They tell their friends. They come back and book a month later.

Michael: Right.

Wish.co.uk: That's why it's so hard to attribute.

Michael: Yeah, I can see that. Addition to you two, you appear to have three people that work on the business. Is that correct?

Wish.co.uk: We are the two Co-Founders. Alongside us we have a roster of people who are freelancers who are working remotely, as Richard said earlier. So we have some people working on the customer service side, others on design and development. So I guess we'd be the two only employees.

We basically have a team of contractors. We have one developer and one (Unclear 1:15:03.3) admin. We have two regular writers. But all these people have either their own businesses or other commitments & other work. But they're sort of a team of people. Most of them are who I've worked with over the years from my other business and they've come over to join the zombies. They're all over the place. One is in Edinburgh. One is in Vancouver. One is in Sari. We're in London. But everyone is sort of all over the place and this week we're actually having our long delayed work Christmas party, where a lot may get to meet for the first time.

Michael: Oh, that's great. So I understand that they're contractors. They may do other work because you're not launching new offerings & new products & every single day for sale. Is the customer service position one is that a full time equivalent, where they're working nine to five every day or even that's not full time?

Wish.co.uk: Even that isn't full time, so we would scale that depending on the traffic on the website and the amount of demand that we have for customer service on that particular day.

We basically wanted to set up a business that was really lightweight. I didn't want to hire fifty staff and be broke in a month. So we've tried to keep things as lightweight as possible basically.

Michael: That's great. All right. So here's the big question. I run Domain Sherpa. It's all about domain names. How has the domain name, Wish.co.uk, helped your business get noticed, grow and succeed in your guys' opinion?

Wish.co.uk: It's been a huge part of the success. I think, initially, we underestimated the value of having a domain like this. We always joked that if we couldn't get any other domain, we would Richards-Gift-Shop.info.

That's available if anybody wants to register it.

That was always our kind of if we can't anything better, we will be forced to use something as bad as that. I think the biggest factor about having a domain like that, alongside all the other benefits - it's memorable, it's easy to spell and so on - is the fact that it lets us punch above our weight. So if we're looking to sponsor something, or if we're looking to work with another company, or even from the customer's point of view, having a domain like Wish.co.uk adds a lot of legitimacy to the brand that we wouldn't have if we had a relatively generic brand name.

So, in the UK, we sort of entered a sector, which is quite mature. There are probably ten reasonable sized companies selling what we sell. There are three that are very big. And we're trying to square up to these monster companies. So, from our point of view, it's a great way to punch above our weight. But, aside from that, we wanted something that was great for TV, and radio, and press coverage. But just like what Stephen said, I'd agree that I think that we both underestimated how much of a difference it would make basically.

Michael: Yeah. And so, it has made a difference in memorability and easy of typing. You can't really screw up typing Wish.com. Is it helping in search engine optimization yet that you've seen?

Wish.co.uk: Not so much in terms of the domain itself, but more if we are looking to build links to our company. Obviously having a domain that is easy to spell that appears trustworthy even before you actually go to the website itself; it's helping it a huge amount.

Michael: Yeah. And I've had entrepreneur after entrepreneur saying that the domain name will add legitimacy. People call from PalmSprings.com or make a call from a premium generic domain name and people are like, 'wow. I think I've heard of that. It's a big name'.

Wish.co.uk: People say exactly that. 'Oh, I've heard of you. I've heard of wish already' when we know for a fact that almost certainly haven't. So it has been hugely beneficial. I think that only time that people have asked us to spell Wish.co.uk is when they can't believe that we own Wish.co.uk, which is a nice way around.

It's a nice problem to have.

Michael: Yeah. Definitely. All right. Here's the final question. You're both domain investors. You're business owners. You're online entrepreneurs. What advice do you have to domain name investors looking at their portfolio thinking about picking one of their favorites for development? What is the advice that you would provide to them?

Wish.co.uk: You did (Unclear 1:19:36.9) to my piece of advice, which was going to be pick one for development instead of spending \$59 on crappy microsites.

Michael: Yeah, pick one for development. Should it be eCommerce? Should it be a blog? What's your advice on that?

Wish.co.uk: I would say that the advice that I've always trusted are (Unclear 1:19:56.5), which I think is absolutely valid is do something that you are and

can be passionate about. Nobody wants to write about payday loans for the rest of their lives. Writing about tanks and zombies, yeah, that's not bad.

I think it's a really good point. It's a lot easier to do something authentic and fun and fulfilling and have that to come across. If you sell, or you're involved, in something you give a damn about.

Michael: Right. And so, people may say, you know, 'I'm a World War II buff and I love history. How can I make that happen?' What you're saying is like maybe flip it on its side. Maybe you don't need to have a website that publishes information about it, but you can sell tank rides. And those are things that people always love and they want to experience that. I don't think anybody watching this show would say, 'I want to be an eCommerce merchant selling zombie encounters, and tank rides, and driving Lamborghinis'. Like, who even thinks of going to school to sell something like that that would allow you to do? But that is a fun job. You're bringing joy to everybody's life. It's interesting. You're always probably the life of the party just because you guys are so awesome, but now you've got this business that everybody wants to hear about these experiences. So, yeah, I can imagine that doing something that you've discovered you are passionate about is one of the secrets.

Wish.co.uk: I think, to be fair, it's easy to kind of post-rationalize it a little bit. I think we were pretty lucky in terms of doing this and then thinking, 'shit, this is a lot of fun to do'. And we're having a lot of fun. We're clearly doing pretty well at it. It's working out nicely, so we have been fortunate. But another thing, we went into it, we didn't sit down with ten business ideas thinking this is the one that we can do because of X, Y, Z. We thought we saw an opportunity there and we saw the conversion of our skills as well. So that's why we went for it. And I think a lot of the stuff we only realized after the fact in terms of the importance of the domain name, the benefits of working on products that you, yourself, love as opposed to something that you'd get bored of after two weeks. So we've been lucky.

I would definitely agree with that. It's definitely to an extent post-rationalization, but the reason I mention it with such a force is because I had the same conversation with friends. Now, I wouldn't dream to go back to

doing. I think a lot of affiliates would admit to building sites about things they don't really care about. But I guess what I've come to realize and my big takeaway from it is that it's a lot easier to do well if you're into the stuff you're selling. And if it's easier to do well, it's easier for the business to be a success.

Michael: Yeah. All right. Great takeaway. If the audience has a follow up question, please post it in the comments below this video. We'll ask Richard and Stephen to come back and answer as many as they can. If people want to follow you two, follow what you're up to on Twitter or when you make big announcements about the sites or big announcements about Conversion Factory, how can they do that guy?

Wish.co.uk: For Wish, Facebook would be the best option, which is Facebook.com/Wish.co.uk.

Or Twitter, which is @WishCoUk.

Michael: Okay. Great. I've got those two. What about you two personally? Are you on Twitter?

Wish.co.uk: I'm on Twitter at @ConversionFAC because ConversionFactory was too long. So I'm @ConversionFac. I'm not sure if that's a good one or not.

And I'm on Twitter at @QualityNonsense, which is my other business.

Wish.co.uk: QualityNonsense. Excellent. I'm going to urge the audience, as I always do. If you received value out of this interview, and I don't know how you spent an hour and fifteen, twenty minutes with us and didn't get something out of this, this has been a fantastic interview -, find a way to say thank you to both, Richard and Stephen. You can send them a tweet. We've got a link just underneath the video that you can click on and it'll open up your Twitter account and send them a quick little note saying, 'Thank you'. Or post a comment below this show. Establish a relationship; say thank you. I'm sure paths will cross and it's a great opportunity to start that relationship now.

DomainSherpa.com: The Domain Name Authority

Richard Kershaw and Stephen Pavlovich, Co-Founders of Wish.co.uk. Thank you so much for taking time out of your scheduling, staying late in the office this Tuesday evening, sharing your strategies and tactics for starting up and growing Wish.co.uk. Thank you for being Domain Sherpas and thank you for helping other become more successful domain name entrepreneurs.

Wish.co.uk: Thank you, our pleasure.

Thank you very much.

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

Watch the full video at:

<http://www.domainsherpa.com/wish-interview/>