



Sam Parr - How He Disrupted Media & And Got An 8-Figure Exit Transcript

Ryan Moran [00:00:04]

The first individual taking the stage at Cap Con 5 is Sam Parr. Sam was on our hit list from the very first day that we decided to re-introduce events. When we decided it was time to have the Capitalism Conference again, Sam Parr was at the top of our list for several reasons. The most impressive or the most surface level being that from the outside, it looks like Sam just enters into crowded marketplaces and wins. He somehow just steps into competitive spaces that are overrun, and what people would say is oversaturated, and he just wins. Most recently, he did that with the My First Million podcast when it's not even cool to launch podcasts anymore. It was new and cool to do that and you could become number one for five minutes and then fizzle out, whereas Sam came in when it was at its most saturated and is quickly the number one podcast in the world.

Ryan Moran [00:01:05]

Sam will probably humbly say, I don't know why people listen, but one of the reasons they listen is because of insight into a variety of different businesses, a variety of different industries. And because of the amount of deal flow that he sees, he's able to see what breaks out and what doesn't, what breaks through and what fizzles out. And he also is an investor in a handful of variety of different companies and can share with us what he looks for in a brand that is going to break out versus the ones that he avoids. So, he's been successful in a variety of different industries. He has a giving attitude, a servant's heart, and has a breadth of knowledge to be able to share how your business can break out in this new era. So, please join me in welcoming Sam Parr.

Sam Parr [00:01:52]

Alright. What's going on? This is my first time. You're going to hear everyone say, this is my first time doing this in years. I'll tell you a little bit about who I am and what we do, but I'll tell you a cool story first. But the summary is my company is called The Hustle. Does anyone read The Hustle? Cool. So we have some users here. It's a daily email that goes out to millions of people and we give you the business news information you need to know. That's the very simple version. I'll talk more about what that actually means. But our first week of business, we almost went out of business. And so, basically my company, it's a media company, we started as a conference a little bit like this. And the way that we would get speakers, I didn't have any money, but the way we'd get speakers, I couldn't buy ads.

Sam Parr [00:02:40]



Sorry, not speakers, attendees. I couldn't buy ads, so I didn't have any money. So, I started blogging about the speakers and one thing led to another and it was incredibly profitable and it made a lot of money, but I didn't want to only do conferences. And so, I'd read the biography of Ted Turner of the Murdoch family, of the Hearst family. And I was like, sick, I'm launching a media company. I'm going to be a media guy. I didn't really know what that meant, but that's what I was going to do. And so, I launched this post saying, I've got \$500,000. I'm building this media company from The Hustle. Watch us blow all the money to make it happen. And I had like this picture of me where my eyes weren't even open. And I was like, kind of looked like a smug jackass, but I was like, that's cool. That's the angle I'm going to go with. I don't think I'm entirely that, but I was like, it's going to get clicks. The story is cool. We're going to be obnoxious.

Sam Parr [00:03:27]

It's kind of douche-y, but it's awesome. And so, we launched this, and then the next week I'm like, all right, what am I going to write? And I had remembered this story about this guy that I knew. And he was making \$60,000 a month selling books on Kindle basically about teaching guys how to meet and pick up women. And I was like, dude, you don't know anything about this. I've never seen you with a woman. And he was like, yeah, but I just find top selling books and I sent them to the Philippines. They rewrite them so they get past the Kindle plagiarism thing and they go live and I pay \$5 to get a sexy looking title. And I headline it, and I pay people to review it. It goes to the top of the charts and it's a recurring cycle. Then I put best-selling author on my LinkedIn and I get paid more money doing that.

Sam Parr [00:04:08]

I'm like, oh my God, that is very shady, and kind of a really cool story. And so, my first blog posts, we wrote about that. And then I'm like, alright, we've got to come out with a bang. We got to come out hard here. So, let's just copy what he said and become a bestselling author. We weren't going to do it in the sex, women, or the picking up women type of space because we found out when we were doing research that romance novels, does anyone here read romance novels? Who's going to admit it? Yeah, I didn't think ... So, I didn't read it. I didn't know much about it, but I researched it and it basically has some of the largest liquidity in the Amazon marketplace. So, basically loads of new titles constantly, and people eat this up. They love buying it and they read it. And so we decided to launch a romance novel.

Sam Parr [00:04:55]

We did research and there's categories of people who want to have sex with vampires, people who want to have sex with people in the military. And so we made a joke, we're going to make it like it's a werewolf who was in the military. And so, we find a book that was doing really well.



I got a guy off of Fiverr to make a different title and a different headline for that. And we kind of skipped over the whole getting someone to rewrite it because we only had a few days to get this live. And so we kind of rewrote it. We submitted it. We paid people to upload it. Boom. It got to the top of its category. We made a joke and we put LinkedIn best-selling author in our category. The whole joke was like, yeah, we're a bestselling author. You should pay us to consult with you.

Sam Parr [00:05:36]

But the point was is that this methodology we think is not right and it's kind of shady, but we did it in a funny way. And so, we launched this post on a Tuesday and immediately all of the bloggers in the romance novel category, which there's a lot of them, they got super pissed at us. They thought we were making fun of them. We weren't making fun of them at all. We just happened to pick that category. And they were livid, and they shared it like crazy. It got to the top of tons of different subreddits. It got to the top of the self-publishing subreddit, self publishing blogs were writing about it. It was a hit right away. And I get all these emails and Twitter messages and Facebook messages, oh, this is so funny, or, oh, I hate you. You're such a douche. Just all types of stuff. And I'm loving it.

Sam Parr [00:06:19]

And then I get this email and it says in the subject line, cease and desist, and it's from a URL. I didn't recognize who this company was. It was this really crazy email that said something like, the book that you used to copy, the author reach out to us. We own that. We're the publisher of that. We're going to pursue this as hard as we can. We're going to make an example out of you. And in my head, I was like, shit. This was the same day I was crushing it. And then I was like, we're going to go out of business the very first three days that we launched. And it was ... The URL was Harlequin. Has anyone heard of Harlequin books? I didn't know what that was..

Sam Parr [00:07:05]

I had no idea. Harlequin is a massive publisher. Probably, I don't know exactly how big they are, but thousands of employees, the largest publisher of romance novels in the country. The author, and she was right to do this, was causing a fuss about this online. I get on the phone with this lawyer and I'm like ... And I was scared. I get scared just thinking about it. I was nervous. I was like, oh, this guy's going to sue me. We're screwed. I just had this douchey post where I wrote about how I've got \$500,000, let's start this business and I look like an idiot on this picture. I'm this blonde white bro who's got his eyes closed. I'm the opposite of what these people stand for. I'm the total opposite, what am I doing? And I get on the phone and I'm like, look, man, my point wasn't to insult you. That just happened to be the category I chose.



Sam Parr [00:07:56]

And he goes, yeah, look, that was an overly stern email. I was just trying to scare you. I understand what you're trying to do. Can you please just put a comment at the bottom that says, we talked to Harlequin, we removed the book from the actual Amazon page, and we'll calm down the author, and just say you're sorry to her. I was like, oh my God, thank God. It was like a miracle. So we got away with it. But then, basically I realized there was a few things about this business and I'll talk all about it. But basically the first is if I'm gonna continue doing this, which I am, don't look as douchey as I was, and it's not wrong to be authentic and do that type of stuff. But like that wasn't even me. And I was just like playing this part in order to get attention. And I totally just suffered the consequences.

Sam Parr [00:08:41]

The second is that the type of content that we're going to write about, we were going to be very authentic. We were going to write like we speak and sometimes that's going to piss people off, but that's okay. In my head, I was like, big companies won't do this because they've got to go through 10 different committees. This is just me. At the time, it was just me. There is no committee. I can do whatever I want and I should do whatever I want because that's going to help me stick out. And so, basically I was like, I'm going to be a missionary. I'm not going to be a mercenary. I'm not a hired gun here. I'm going to live this shit. And then the third thing was, these ideas that I have of this style of content marketing, I'm going to talk all about what that style is. It works. So that week, so, I just bought the URL, TheHustle.co. So we had no backlinks. We had zero traffic.

Sam Parr [00:09:26]

That week, we got half a million people to our website and the premise we set up behind our business is we're a daily email. So, we reached about 2 million people a day and we make money through a variety of ways. One big way is we have ads in the email, native ads that we went and sold and we make the ads. And so we had to get those emails in the first place. Once you get them, then you can build a huge business. You got to get them first. I didn't have a lot of money. And so, I was like, I'm gonna get all these emails via content marketing. And so, the third takeaway from this was like, this works, I'm going to continue doing this. And we actually still do it.

Sam Parr [00:10:01]

So, my company, The Hustle, we do this still every single Sunday. So, that post, that Kindle post, that's been read millions of times, but that's not even our most popular or close to it now. So we still do this. So, we've launched hundreds and hundreds of these style of posts. Not



always, but often, they do really well and they go viral. But that week when we launched, I didn't have an email list and by the end of the week, I had 10,000 subscribers and we actually did this methodology for the first year or so, where I just, I was blogging like a madman. I would do sometimes five posts a day. We got about, I don't remember the exact number, but somewhere around 150,000 to 200,000 email subscribers in the first year without a cent spent on ads. That strategy still works, by the way.

Sam Parr [00:10:49]

And so, we still do it. And so my company is called The Hustle, so what we do is we have this daily email that goes out to about 2 million people. It has a crazy high open rate. So, something like 45% unique open rate every single day. We also own this thing called Trends. So, Trends.co. But with The Hustle, we make money through ads. We just sold the company and I'll tell you about that as well. But, had we not sold this year, we would have scared ... And this would be our fourth or fifth. Think this will be our fourth full year of business. We would have done about \$20 million in sales. Advertising would have been an eight figure business. We didn't have ... So we make money through ads and the email. We didn't have our conference this year. We typically host conferences, where we'll have tens of thousands of people, so that doesn't exist anymore, unfortunately, but it would have happened one day. That would have made millions, but not this year, but maybe next year.

Sam Parr [00:11:42]

But, we also own Trends. So, this thing called Trends.co, and I could talk all about that, but that's a subscription business and a paid community a little bit like this. And we have a team of researchers and analysts and all we do is scour the web and we have lots of proprietary data and we try to look at really fast-growing trends and explain why they're going to be popular, and how you can capitalize on them. The company though, and this actually would relate to a bunch of people here. So, does anyone use HubSpot? Some people use HubSpot. So, they reached out to us last October and they were like, look, we want to be one of the first people to build this software business that has a media component to it. And so, we closed that deal and they bought us in January. And so, that deal closed late January. So, I sold the company and it was for tens of millions of dollars.

Sam Parr [00:12:36]

We didn't really raise any VC. I owned most of the company. So, it was a good outcome for me. And, yeah, thank you. But we still do the stuff that we started doing. We did the same thing of just creating lots of free content and having some paid stuff and getting most of our users without spending any advertising money, which frankly is not the best idea, right? If something works, I should have spent more, but I didn't really know entirely what I was doing.



And we didn't have a lot of money. And so, we have The Hustle, which is the daily email. We have Trends. We used to host conferences. And we also have a podcast that I'm actually the host of called My First Million. It gets millions of listens. And typically it's a top 10, maybe top 20 podcasts in the business category by listenership. But give it one more year. I think we'll be top five soon.

Sam Parr [00:13:28]

And we did the same thing with that. We haven't spent a lick of money. We haven't spent a dime growing it, but starting next month, we are going to start spending a lot of money to grow it. And so it's a cool business. What I can talk about, Ryan was saying about how we stand out in popular categories. And I can tell you, it basically all comes down to content, and content is interesting because everyone physically can do it. Everyone here can write sentences on a blog post, but it's really hard to get it right, because everything that you were taught in English class in eighth grade, you just don't pay attention to that. And that's basically the secret. Whenever we write blog posts, we've been ... We've got blog posts that have been seen 5 million times, 10 million times.

Sam Parr [00:14:11]

Whenever we write blog posts, I always start with distribution first. So, I'll try to explain this, but it's basically a circle, cycle here of how I come up with ideas, but the first part, and you can start in a different part of the circle, but then you got to go. So I always start with distribution. So, before I even have an article idea, I say, who do I want to reach? And where are they? Then, I think, what medium are they going to be coming from? So are they going to be coming from search, from Facebook? Right now, Twitter is having a resurgence. So, if you're going after tech people, that's where those folks are. If you're going after nerdy types of folks, which is who I am and where I was going after, they're on Reddit and Hacker News. If you're going after fitness people, maybe they're on, I don't know. I don't read a lot of fitness. Maybe they're on bodybuilding.com. Maybe they're on some fitness subreddit.

Sam Parr [00:15:00]

Just, where are they going to come from? Then, I think what's the headline? And then, finally, and this is where most people start, but this is my last thing most of the time, what's the story? And not only what's the story, but what's the emotion I'm going to get someone to feel? And sometimes I'll hear a story, like last year I met this guy, he was wearing a Ramones t-shirt and cowboy boots. And he was really huge. And he starts talking to me about newsletters and I was like ... And he had a super thick Southern accent. I'm from Missouri. He was from Missouri as well. And I started talking to him and he started like saying all the stuff about his subscription.



He's like, yeah, we've got a pretty good subscription business too. It's just me doing it. We do about \$30 million in revenue.

Sam Parr [00:15:48]

And I'm like, what the fuck? I'm like, what? And I judged him. I judged him hardcore. I'm like, you? He goes, yeah, we talk about commodities. A lot of hedge fund people buy it. And I'm like, what? He goes, yeah. It's just me and my son. And so, yeah. I'm like, dude, this is the craziest thing I've ever heard. Tell me everything. And so, in that example, I haven't published that much yet, but I've talked about in the podcast. I started that one with a story because I'm like, oh, I just heard something. I'm going to file that. I know what emotion just got me. And then I would think, alright, now what's the headline of that going to be? And where's this going to get popular? And I constantly think about that cycle. Most people, when they do content, they just say, we need users, write a blog posts.

Sam Parr [00:16:33]

Unfortunately it's not that simple. And so I can talk today. I think most of learning that we'll do is through Q and A. So we'll talk more about it there. But there's this whole cycle that I use for creating content and we've done it a bunch of times. So, we've published many, many thousands of blog posts and the type of stuff that we do ... There's a few different types of content that you can do. The type of stuff we do, we aren't optimizing for search. So, if you own a brand that you're trying to optimize for search, what you're going to do is probably different than what I'm talking about. What I'm talking about is if I have nothing, I've got no backlinks to my site so I'm not going to rank, really. If I don't have a name, no one knows me. The type of stuff I'm talking about is the stuff that you use what I'm saying.

Sam Parr [00:17:21]

And I actually think that's a benefit overall because it pisses some people off if you do it the right way. But this group of people who you want to love you, they're obsessed. I call it niches make riches. I'm just appealing to this one group of people and I know that I am, and I'm going to go super hard on those guys. And it works. So, that's how we built The Hustle to millions of daily users. That's how the podcast, it does the same thing. We do the same principles for that. We know that it doesn't appeal to everyone. And we work really hard at appealing to a very particular type of person. And we've done that with trends, which is an eight figure subscription business. So, that's a little bit about The Hustle. I'm happy ... Ryan, you want to come up and we could go through some questions, but, I wanted to give you guys some context on the business and hopefully that will help you have some good questions later. I think that's where the most ... Where the best learnings are, but that's kind of the story so far.



Ryan Moran [00:18:21]

Give it up for Sam Parr, please. Before we go over to Q and A, I have a couple of questions that came up for me. You said something about starting with the distribution, of going to where the people are before you even think of the content. I was curious how that impacted your approach to the podcast. It makes total sense for a blog, but from the podcast where you're doing a lot of interviews and just talking about what's going on with your own investments, how does that approach ...

Sam Parr [00:18:50]

Yeah. So, let me explain to you how we do this for a blog and I'm going to ... There's 10, 5 or 10 different ways you can do it. I'm going to tell you the easiest way, my favorite way. Does anyone here use Reddit? Does anyone here not know anything about Reddit? Yeah. Reddit's weird. It's the fifth most popular website in America, and yet there's actually a huge amount of people who have no idea what it is. It's basically a bunch of subreddits, which are basically forums. Reddit is a list of different types of forums for different interests and people post links and they comment on those links. That's all it is. And so, what I like to do, my whole philosophy is I want to know what the people are already talking about, what type of content is trending with my desired audience. And I'm going to figure out a way how to make my version touch on that but be different.

Sam Parr [00:19:38]

Here's the easiest way to do that. Let's say that I'm writing an article about the fitness industry. I'm going to go to Reddit, the fitness subreddit. So, Reddit.com, r/fitness, and there's 1 million members of that community. I'm going to click sort by top posts over the last month. I'm going to get 20 posts and it's going to be people posting a thought, an idea, just a headline, like what's your favorite exercise for hip mobility? What's your favorite do it yourself home equipment? Or I'll see an article, someone posting something. And so anyway, I scroll through the first 10 pages and I get the idea of what is popular with this group. And so, I can just scroll through that for 10 minutes and I'll understand what it is. Then I pick the one I want. So I just saw a post that's nine posts down. It's what's your favorite DIY ... Let me say, do it yourself, DIY home equipment?

Sam Parr [00:20:37]

I click comments and I sort comments by most upvoted comments. And I see one that says, this is great, but you forgot about using PVC pipe, which is the most versatile pipe ... I'm making a lot of this up, so I might get some wrong. Which is the most versatile building material and you could use it to make kettlebells. Here's a picture of me that I made a kettlebell, and it's really highly voted. In my head, I'm like, boom, people care about do it



yourself stuff. And this guy just posted this thing about his kettlebell. I should do a whole post on how to build kettlebells using PVC pipe for \$8 from Home Depot. And that is an example of how I'll get an idea for a blog post. For My First Million, for the podcast, we do similar types of stuff.

Sam Parr [00:21:22]

So, I go to hacker news and I look at what's trending. And then I click the comments and my audience hangs out on Hacker News. So that's why I do it. I go to Hacker News. I look at what's trending. I look at the comments to get the vibe. Sometimes someone, the article will say one thing, like we think Amazon doing this is a great idea. The top posts will be like, I disagree. I think it's a horrible idea. And then people debating that. And so, I'm like, okay, I got plenty of material here about interesting ideas. Now, what is my opinion of that? And that's what a lot of times what we'll do for the podcast.

Sam Parr [00:21:54]

Additionally, if we're trying to get big on YouTube, which we're starting next month, I'm going to use YouTube data to figure out what are people searching for. And I'm going to be like, do I have a strong opinion or a strong intel on anything that they're searching for? And if yes, that's what I'm going to start talking about in the podcast. That said, about the other half of the ... So, we do that for some of the podcasts. The other stuff that we do with the podcasts is we just say whatever we think is interesting. That's where some skill and talent ... I mean, I'm pretty good at podcasting. My co-host Sean is world-class. And so, that stuff is the talent part that it's hard to explain, but that's what we do.

Ryan Moran [00:22:30]

Well, what's interesting about that is ...

Sam Parr [00:22:32]

Does anyone listen to the podcast? Alright, we've got a few listeners.

Ryan Moran [00:22:36]

So, what's interesting about this is you are basically inserting yourself into the conversation that people are already having.

Sam Parr [00:22:44]

Where they already are.

Ryan Moran [00:22:45]



Rather than making one up, which is what most people ...

Sam Parr [00:22:48]

I'll make one up eventually.

Ryan Moran [00:22:51]

But you're making one up from your own perspective on something that people are already talking about.

Sam Parr [00:22:54]

Correct. At least to get started. Then once ... Now with The Hustle, we got 2 million subscribers. We can write a story about something and we're like, this is kind of bullshit how this is happening. And maybe no one has ever called that out. And that kind of can create a movement, but in order to get going, I had to tap into what was already happening. Yeah.

Ryan Moran [00:23:13]

I mean, there's actually some relief in that, because oftentimes the idea of content creation or audience building is thought of as you making it up or posturing yourself as an authority on something.

Sam Parr [00:23:25]

No, I'm living my life and I'm filing stories. So here's an example. Do you guys remember, you may not remember this, Steve Harvey hosted the American beauty pageant and he said the wrong winner. He said the winner is, and he accidentally read the runner up. Does anyone remember that? Okay. So, in a very split second, he goes, look, it's what the card said. And then he turned it. Well, I zoomed in on that card and everyone was like, Steve Harvey, you idiot. I zoomed in on that card. And if you know anything about UX and design, it was horribly designed. I totally understand why he made that mistake. And so, that happened on a Monday night. By Tuesday morning, we wrote a post that said, don't blame Steve Harvey. The design of that card was horrible. Here's actually how it should have looked like if you use proper design principles. And that posts ranked the next morning on Google News when everyone was searching and that got 500,000 views. And so, we just took something that I knew people were going to be searching for it, but I just took a different take on it. So I'm not trying to better. Just different. .

Ryan Moran [00:24:23]

Yeah. It's really hard to not have an opinion on something and give your commentary on it. And if it is thoughtful, then you insert yourself into the conversation that's already happening



without trying to have to invent or posture yourself in order to get attention. Now, Sam, I wanted to ask you, you recently had the exit, you recently were acquired. I was curious, being on the other side of that, while you were building all of this and now being rewarded for a lot of that, what has happened to your mindset or your approach to business? Has it changed? Has it been a difficult transition? What has that been like?

Sam Parr [00:25:01]

Has anyone read this book? I always am embarrassed talking about it because the title is stupid. How to Get Rich by Felix Dennis? Yeah. So, I read that book when I was younger and he has some line in that book that says if I had to do it all over again, I would get rich by the age of 35. He says, I forget exactly what he says, but something like I want to get \$30 million by 35 and I would just want to coast forever because I dedicated my life to this and I wish I would've had more time to have a family, do this, that. I read that when I was 20. And then I read this Mark Cuban story about how he sold his business at 32 and then chilled for 8 years and then started his next big thing. And I was like, I was convinced.

Sam Parr [00:25:45]

I read this at 20. I was like, by 30, I want to have a certain amount of money to where I never have to worry again. And then I will figure out what I'll do after that. Maybe I'll do nothing. Maybe I'll do something. I don't know, but I just want money. I don't want that to be an issue ever again. We sold right when I turned 31. And so I missed it by a year, but the goal was to hit that and I'm a big planner and so we're right on track. In terms of mindset, it feels ... What was the question? What was the ... How does that ...

Ryan Moran [00:26:22]

How does your mindset change on the other side of the exit, if at all?

Sam Parr [00:26:26]

Yeah. So, I was poor for a long time. I grew up poor and I was way too frugal with my business. I should have spent way more money on growth. If you have ... Look, if you have a machine that turns \$1 into \$2, what do you do? You load up a dump truck with as much money as you possibly can and you just back it into that machine. I had that machine and I was still very conservative with how I was spending. If I would hire people, I would hire a \$50,000 employee versus a \$120,000 employee who probably would have been more productive. I wasn't nearly aggressive with ads once I realized the machine was working. I didn't launch stuff fast enough. And I think that really hurt me. I was doing it from a place of scarcity mindset and from there's no way, this is ... I had a lot of self doubt.



Sam Parr [00:27:08]

There's no way this is going to work, no way. And now, looking back, and I also invest in a lot of companies now, I'm seeing patterns. I'm like, I should have defaulted to optimism the whole time, because it was working.

Ryan Moran [00:27:18]

Defaulted to optimism?

Sam Parr [00:27:20]

Yeah, because it was working and I automatically default to paranoia of I got to work really hard to make sure this shit's not broken because it's going to fucking fail. I got to prepare for that to fail. I'm not going to make sure it won't. So, because I'm already like that, most of the stuff that I'm involved in is pretty solid. I should have had more optimism and poured more money and resources into things that worked. That's what I'm learning now that I have ... I don't have to have that scarcity mindset anymore.

Ryan Moran [00:27:43]

So, because of your paranoia, you were plugging a lot of holes.

Sam Parr [00:27:47]

Yeah. I think paranoia is good, by the way.

Ryan Moran [00:27:48]

Which actually gave you the foundation to have the machine to turn \$1 ...

Sam Parr [00:27:53]

Yeah, paranoid is good.

Ryan Moran [00:27:55]

You just wish you had flipped over into the optimism earlier. Is that what you mean?

Sam Parr [00:27:57]

Yeah. So, if you're preparing for a fight in the UFC, you should go to bed every night, this other guy is working harder than me. I got to work harder. Right. That's healthy. But you also have to ... It's weird. You got to have this other side of I'm the best, I can do it, this is going to end well, I'm going to achieve my goal. And I wish I would have had more of that confidence early on, but I did the best I could. I mean, I started the company, I was 24. I knew nothing about media or ... I mean, I didn't know anything about anything. Although most people here probably were



in the same boat, but I just wish I would have had more confidence of what the business is going to become. I think that our ... The business style that we had, like I said, we would've done ...

Sam Parr [00:28:35]

So, HubSpot bought us and we basically shut down our whole ad department. So, we went into the year with millions of dollars booked of ads. They go, no, no, no. We make billions of dollars a year. We don't care about this little ad business. We want you because you have all these amazing users and we want them to eventually buy HubSpot and they're right. That's a smart move. But, had I continued owning the business, there was definitely a path to make a hundred million plus in revenue. And, I should have aggressively ... I should have known that that was possible because looking back, it is.

Ryan Moran [00:29:08]

So, did that realization come after partnering with HubSpot because you see that what they're really after is the users, and they're not looking at it from a profit and loss statement, which means that you had been looking at it from that perspective, which made you protective. And so, that ah-hah of seeing, oh, this company is more interested in the users that I have ...

Sam Parr [00:29:28]

Yeah, because for me it was easy. Intellectually, it was easy. Emotionally it was hard, going to work everyday, and even when things weren't working. Intellectually, I'm like, look, I know if I write 10 blog posts, only three or two are gonna work. That's okay. Intellectually, I totally understand how to do this. Intellectually, I totally understand how to get loads of users for my website. I don't struggle with that. That's easy for me. Just like maybe, whoever's really good at what they do, it's very easy for them to do that. And when someone was like, hey, I'll pay you tens of millions of dollars for all these users. I'm like, what? Just go do it yourself. I'm like, why? What are you doing? You know what I mean? So once I learned that, yeah, that was part of it. And also, once you have an exit, I'm like, I now know what's possible and I know the errors that I made, and one of those was not going nearly hard enough. I was very conservative with our money,

Ryan Moran [00:30:22]

Financially you were conservative.

Sam Parr [00:30:24]

Yeah. Yeah. So, I was famous. People make fun of me. We had about 35 employees, all of their computers I bought on Facebook marketplace for \$500 apiece. We were making like tens of



millions of dollars. Why the fuck didn't I just go to apple? It would have saved me so much time.

Ryan Moran [00:30:41]

And why do you think that you were so conservative?

Sam Parr [00:30:42]

Because I grew up poor and every dollar in that ... Most every dollar in there, that was mine.

Ryan Moran [00:30:47]

You get an emotional attachment to that of that's my money, not the business's money.

Sam Parr [00:30:51]

Correct, and that's stupid.

Ryan Moran [00:30:51]

And there's a story about ...

Sam Parr [00:30:54]

It's not stupid. It's reasonable, but that's ... It wasn't unwise.

Ryan Moran [00:30:57]

I makes sense. It is certainly not optimal, because when you have a story about what that money means in the business account, you're not freed up to actually deploy it in the way that you're talking about.

Sam Parr [00:31:06]

Yeah. So we didn't raise venture capital. If I raised venture capital, I would have run the business way differently.

Ryan Moran [00:31:11]

Tell me what you would have done differently had you raised capital.

Sam Parr [00:31:14]

Well, so the thing is, a lot of people here and a lot of my friends who were speaking, they bought ads early on for their businesses and that worked for them. I think that for a lot of people that doesn't work because you're just kind of filling up a leaky bucket or maybe your product isn't actually that great. So, because we didn't have money, it forced us to make



something that people organically liked, and then the ad money that we put on it was a fuel on the fire. It wasn't the fire starter. Not to say that other ... I mean, both strategies can work, but for us, we had something that worked. Once I knew it worked, I should have spent way more on advertising,

Ryan Moran [00:31:51]

Is it fair to say that your product was the content and the newsletter because that's ...

Sam Parr [00:31:55]

No, no. Our product was the attention. So, most people here have commerce businesses, I would imagine, but media, the enterprise value of media is basically equal to the quality of people who you have consuming your stuff, multiplied by the number of people, multiplied by your influence over them. For example, if you have a blog for 12 year old kids, 12 year old kids don't have a lot of money to spend. So, you're going to need 50 million of them and you're going to need to have a fairly large influence on them so a lot of them will buy a hoodie from you, versus if you have an audience of only 20,000 doctors who run hospitals, that doctor can make a decision to purchase a million dollars worth of equipment. You probably only need, like I said, 10,000 of them and you need to have a mild influence over them. And 10,000 doctors could be more valuable than, let's say, 30 million 12 year old or something like that. And so with media, you have to look at that equation, to figure things out.

Ryan Moran [00:33:03]

That makes sense. So, you brought up at the beginning how you were scrapping to get an audience and to get attention, but you were not an expert in the field of going after tech nerds.

Sam Parr [00:33:15]

Well, I had been blogging forever.

Ryan Moran [00:33:17]

You had?

Sam Parr [00:33:18]

Yeah. On my own personal blog. So prior to ...

Ryan Moran [00:33:23]

At 24, you were blogging forever?



Sam Parr [00:33:25]

No, I had been blogging since I was 18. And I've been storytelling for a long time. So prior to starting my business, I actually owned a chain of hot dog stands in Nashville, Tennessee. It was called Southern Sam's Wieners as Big as a Baby's Arm. And look, I'm selling hot dogs. They pretty much all tastes the same, right? If I gave you five different brands, yeah. It's fucking fine. It's just meat. It's fine. I had to figure out, how do I sell this thing? And so that's ... I'm from Missouri, I'm not really from the south, but the shtick, I realized I had to come up with sticks and I had to learn how to get people's attention.

Sam Parr [00:34:10]

So, I had this marketing thing that if you put your baby's arm in a bun and put mustard on it, you get ... And let me take a picture, you get a free hot dog. And so at a young age, I read the book, Influence by Robert Cialdini. I learned early on how to use my voice to influence people to get them to do what I want them to do. And so, I would use that to sell hot dogs. I just kind of took ... One day, I took a course by my friend, Noah Madora who at the time, wasn't my friend. I was just a fan of his, and I learned about copywriting. I was like, man, I'm really good at selling if I just talk to someone. If I learned copywriting, I could do this to an infinite amount of people. That's when I learned how to put that on text and be a copywriter.

Sam Parr [00:34:56]

Then, once I understood how people thought ... Copywriting, and sales copywriting, is basically figuring out what motivates a human being and conveying or creating a solution that makes it easy for them to want to purchase it. And once I figured out how people think, then I was like, now, how do I get someone to share this blog or share this content? And then I just deployed that on the blog and I'd been blogging and perfecting this. In order to learn how to be a great copywriter and be a great blogger, I spent years doing this. I called it copy hour. So, for one to two hours every single day, I would get the best of something. So for example, I did the Catcher in the Rye. I did Saturday Night Live scripts. I did movie scripts. I did the best sales letters of all time. I did great blog posts.

Sam Parr [00:35:40]

And I would print them out and word for word, I would copy them by hand. And the reason I did that was if you look at how we learn how to play guitar or any instrument in America, it's very easy. You can go from knowing nothing to being a pretty good musician in a year. The way you do that is you copy other people's songs. You learn how to play the piano. You learn how to play jingle bells, you learn how to play this other thing. Then you move on and start learning how to play some cool rock music that you like, and you master that. You're like, oh, I see all the patterns here. This is amazing. Then you write your own thing. That's what I did with writing



is I just copied other people's work to understand, oh, wow, check out this thing that Stephen King always does. I just caught it. And it makes me feel this way and this way and this way. And then after a while, I was like, alright, now I understand how stories work. I'm going to make my own stories. I'm going to use all these techniques that I've physically learned by writing them out by hand.

Ryan Moran [00:36:30]

What I'm curious about in those early days at the hustle is, not having any existing influence over tech nerds and getting their attention, what's interesting about that is oftentimes people who are, who model your approach, have the assumption that there's some expertise and you're speaking from a place of authority. And you just went in with that ... Just getting their attention. I want to know, going into that, did you know that tech people were your people?

Sam Parr [00:37:00]

Yeah.

Ryan Moran [00:37:00]

That was the target market.

Sam Parr [00:37:01]

I didn't have authority in that, why should my opinion better than anyone else's. I couldn't tell you why, other than I thought it was, which isn't ... It's an okay reason, but, I was a tech person. I am a business nerd. And so, I said earlier that I was a missionary, not a mercenary. So, it's not like I ... If you were to ask me to start a blog on ... We have Kettle & Fire here, on bone broth, bone broth is cool, but it doesn't really interest me. I would have to go and become an expert, but I don't really care about that. So I would be a hired gun for that and I probably wouldn't be as good. With the tech stuff, that was my life. I cared about it. I thought about it constantly. And so I became an expert probably ... I mean, am I an expert? I don't know, but maybe because ... Yeah, people's perception maybe, because I kept doing it, but I lived this life.

Sam Parr [00:37:58]

I care about it deeply. I love it. I was blogging about this stuff. And then it just so happened I started making money from it. So, some of the greatest people who I like in media, Ted Turner, he's obsessed with news. He loves news. Rupert Murdoch, obsessed with news. Rupert Murdoch owns all these newspapers that don't even make money. And they're like, why do you do that? He goes, I love it. I'm obsessed with it. I can't let this guy go. I love this newspaper. I feel the same way about a lot of media stuff. I'm obsessed with it. I'm addicted to it. Media is a really weird thing. There's a reason why rich guys like Benioff and the Facebook guy buy failing



newspapers. It feeds your ego and it feels awesome. And hopefully sometimes it makes a profit. And so I'm obsessed with media.

Ryan Moran [00:38:46]

It's difficult to come into the media game unless you are obsessed with something.

Sam Parr [00:38:53]

I totally agree, yes.

Ryan Moran [00:38:54]

And for most people, they are out-thinking their interests. They're trying to target so perfectly that they're not actually following what they're obsessed about enough in order to get the attention.

Sam Parr [00:39:06]

100%, you have to be obsessed about it. And often, people who own businesses will say, hey, can you teach me how to use content to get users? And I'm like, I can, but knowing what I know about you, it's going to suck because you're not even connected to this and you really don't give a shit. I don't know how you're going to have ... A lot of people want to hire people out right away. I'm like, man, unless you have a voice that comes from the top, it might be challenging. And also, you really got to care about this thing because internet people have the greatest bullshit detector there is. And what's the best way to circumvent someone's bullshit detector? You don't bullshit. That's the best way. People will get into this business and they want to hire someone on UpWork just to do keyword fillers.

Sam Parr [00:39:55]

It's like, that's not going to work. Maybe sometimes, occasionally, but typically that's not going to work and you really need to care about it. And I guess the CEO or founder doesn't always have to care about it, but they got to at least know how to find and motivate the people who are passionate about it.

Ryan Moran [00:40:10]

That's what I wanted to ask you next, because what you're saying makes total sense for a solopreneur or even a solopreneur with an assistant. But when you try to scale that and build a team of 35 people, it is difficult to protect that obsession. So, what did it look like for you to go from a person who's blogging about things that get attention and then building an infrastructure that is now a media company?



Sam Parr [00:40:37]

Yeah. Building a content team is hard. And we fire a lot of people. So we hire pretty quickly. And then we fire them right away if it doesn't work out. That's a lot in the media, that's kind of normal. And we when we hire people, we're like, yeah, we're going to give you a chance, and within four weeks we'll know if this works. Usually they're like, yeah, this doesn't work when we tell them. It's not some mean thing. So, I have an editor in chief. His name is Brad Wolverton. I recruited him from NerdWallet. Before that, he was at the Washington Post. At NerdWallet, he wrote about personal finance, which is related to business. So he really cared. He's an amazing person at managing writers. Managing writers, which I put myself in that category as the writer, it's a huge pain in the ass.

Sam Parr [00:41:24]

Everyone's a diva. The best ones are divas. You have to put up with it because what makes them a good coworker ... Oh, sorry. What makes them a good writer and a creative person makes them a shitty coworker and someone who is a pain in the ass. They're typically always late. They will submit their stuff at the very last minute. They won't know what they're doing on a Wednesday, even though they're going live on a Friday, but that is normal. Those types of people often are very, very good. And so, you have to be very patient at managing them. You have to be very patient at saying what they can and cannot do. So, for example, one time Goldman Sachs interviewed, or sponsored our newsletter. We did a story on, fuck Jerry. Fuck Jerry is this Instagram handle that has all these followers. And he was launching something interesting.

Sam Parr [00:42:13]

And so, we wrote about it and, one of the writers decided to put the word fuck in every sentence. He's like, fuck Jerry, launch this thing, it's pretty fucking good. Ed Goldman was like, yeah, we're not paying you for that ad. I went to the writer and I was like, I support that, good job. I'm down with that. So, doing things like that, you got to let creative people create as long as they are hitting the ... As long as they're following most of the rules, hitting the deadlines and hitting their goals. I teach them how to do it. Besides that, I let them be free. And that's what they like.

Ryan Moran [00:42:52]

I saw you Tweet out recently that you found a direct correlation between the number of downloads on an episode and the amount of research that you did going into the episode. That was your growth hack, that you could find a direct correlation ...

Sam Parr [00:43:09]



Yeah. So, the podcast right now, it's getting a million listens a month. Each episode gets ... A low one will be 30,000 downloads an episode, a really high one will be over a hundred thousand downloads an episode. Is anyone here in the podcast industry? A couple of people. Podcasts are fucking hard. It's the hardest thing I've ever grown. We're about two years in, I think by year three, we'll be ... We should be north of a hundred thousand an episode, which would make us one of the biggest. It's hard. And a lot of people ask how we grow. I'm like, well, the first two reasons why you maybe can't replicate, and that's that we have The Hustle. So, we have a lot of people to tell. The second reason is, like I said, I'm good at it, partner on the podcast. He's amazing at it. And so we have talent.

Sam Parr [00:43:54]

But we work really hard at researching. What we do is we have researchers now who help us. My First Million, basically we ... Remember I told you about that guy who's got that \$30 million a year subscription business with two people? I hear a story like that and then he tells me all his numbers and I deconstruct how the business works. And then I tell Sean, I'm like, man, I met this guy. Here's how the business works. He goes, that's amazing. It reminds me of this business and he'll explain what that does. We're just nerding out and deconstructing different companies. What we do is we research a ton. So we've got this huge document. I spend an entire day researching a ton, and then we get on the pod. And then we just say, do you want to talk about that or not? And we'll talk about it. And then that will lead to this. That will lead to this. And that will lead to this.

Sam Parr [00:44:35]

And we jump around. And the reason that works is, because I'm obsessed with this industry and business, I'm constantly filing away ideas. So I'm going to meet someone here, I guarantee it, who's going to tell me something so fascinating that, I'm never like, oh, I own this baby clothes business that sells baby clothes made out of bamboo. We do \$50 million in revenue, huh? I would store that ...

Ryan Moran [00:44:54]

There's a few of those here.

Sam Parr [00:44:56]

Or something like that. I know somebody that told me something, they do something that's so interesting. I have no idea how it works. And I'll file that away. And then we're going to do research and then he's going to say something and I'm going to be like, oh, that reminds me. And that's usually how the podcasts works.



Ryan Moran [00:45:11]

We're going to go to Q and A here in a second. But before we do that, you have been very transparent, at least on the podcast, about the downsides of the entire journey, too, of the dark times. It's easy to look at somebody who ... I mean, I know you didn't have your big exit until you were 31, but it's easy to look at someone in your position and think life must be easy. You've always had it easy. You cruised to this exit, must be nice. Now you're going to cruise till you're 40 until you have the next big thing. You seem to have magic on everything you touch. It would be easy to create that narrative. Would you tell us a little bit about the other side of the journey?

Sam Parr [00:45:51]

Yeah. I mean, it's fucking lonely a lot of times. Yes, it's ... The way that it works in my experience is 90% of the time, things suck and 10% of the times things are awesome, but that 10%, they're so awesome that it encourages me to keep going through that 90% of bullshit.

Ryan Moran [00:46:08]

Can anyone relate to that? Yes.

Sam Parr [00:46:10]

Yeah, I'm all happy now.

Ryan Moran [00:46:13]

You thought it was just you this whole time.

Sam Parr [00:46:16]

I'm in Austin. The weather's nice. Of course I'm in a good mood now. It's funny, I go to therapy and I always go up Friday at 3:00. She's like, well, you seem pretty happy. I'm like dawg, it's 3:00 on a Friday. Of course I'm in a good mood. Let's move this shit to Monday. So, yeah, so you're catching me at a good time. No, I mean, look, it sucked. I quit drinking. I definitely had a drinking problem. Yeah. Thank you. I definitely had a drinking problem because I was like, there were so many nights where I'd be laying on the ground, talking to my wife, I'm like this isn't going to work. What did I do? Or most of the problems was this person at work is killing me. Do I have to fire them? Why am I failing them so badly? Do I have to encourage them? What the fuck do I do with this person? I cannot figure this out.

Ryan Moran [00:47:02]

Anybody relate to that? Yes.



Sam Parr [00:47:04]

Most everything was people-related to be honest, or when the pandemic hit, a lot of people, business boomed, right? But the first three months I was like, we're done. We're done. This is not going to work ever again. The biz, I spent five years or four years on this and it's going to go to zero. I'm done. Most of the times I would ... Throughout a day, it was like, this fucking socks. I want to quit. I'm out. I'm never doing this again. And then one hour later, I get a dopamine hit from ... Because I look at Google analytics and be like, this is the answer. In the back of my head, the thing at least in my business, and I've heard this for most business, building to a hundred million in revenue, it's very doable in most industries and intellectually, you can write down, you do this, you do this, you do this, you do this.

Sam Parr [00:47:51]

And then you just wait 10 years, you just do that consistently 8hours a day, every single day for 10 years. It's going to require a little bit of luck. That's for sure. But you can have a pretty good outcome, if you do that for 10 or 15 years. The issue is every day, the emotions, your emotions and handling them. It's a 100% emotional game for me. So, I read all this self-help bullshit, which some of it helps, the whole naval happiness thing. I read all that stuff. I meditate every morning. I exercise, I do all these vitamins. It's pretty much only to do one thing, to control my mood and make it so I can be calm and steady because I know that in the day it's going to be like this, all this stuff, I should be really happy, I should be really sad. My goal is to be able to just ...

Ryan Moran [00:48:39]

Somewhere in between.

Sam Parr [00:48:41]

And so, I spend most all of my energy outside of doing the actual work on making sure that I can keep my mood calm.

Ryan Moran [00:48:50]

I think that's the work.

Sam Parr [00:48:52]

That is the work.

Ryan Moran [00:48:53]

For most of us, we know more than we need to know.



Sam Parr [00:48:57]

You know plenty, you don't ... Yeah. Most people, you know plenty. You know plenty.

Ryan Moran [00:49:01]

Also, the irony of what you're saying is it was the emotional rollercoaster that made you good at media in the first place.

Sam Parr [00:49:10]

Yeah. Your biggest strength is also your biggest weakness, right? I'm very creative and I'm really good at creating content. It just so happens that also makes me crazy in other aspects, too.

Ryan Moran [00:49:20]

You do see a lot of deal flow now that your post exit because of the podcast.

Sam Parr [00:49:25]

Yeah. What had a little mini fund, so I've probably invested \$10 or \$12 million so far, maybe 40 or 50 different startups.

Ryan Moran [00:49:33]

How do you identify either the entrepreneur or the business that is worthy of your capital?

Sam Parr [00:49:38]

So since selling to HubSpot, and even prior to that, I run a media company. A media company I don't run anymore, but it's cool that your audience is there, particularly on email. I kind of forgot to say that basically with our business, email, even now, it's the last channel that you can reasonably own. You don't own Facebook. Building a business on Facebook is like building a business in an office building and the rent gets jacked up by the landlord every three months. They can do whatever they want. I imagine ... I don't sell anything on Amazon, but I imagine it's the same. Amazon says, we kind of feel like doing this, it changes. With email, it's really the last thing that you can own. So, our big insight was, look, if you're looking on your phone, it's a four inch white screen, who cares if you click the mail app or Chrome, why does it matter? And it just so happens that you can reach way more people with that mail app. And so that's why we did email. I'm getting back to your question. What was the question?

Ryan Moran [00:50:33]

How do you identify the entrepreneurs or the businesses ...



Sam Parr [00:50:36]

That's what I was saying. Okay. And so, the audience is there the whole time, but I got to go out and book these advertisers a lot of times. That's a pain in the ass, you got to go kill what you want to eat. So, it was like we had salespeople and they had big quotas and it was really stressful. Then we had Trends and that was subscription, and that was a lot easier. And so, I started learning about subscription businesses and everything like that. Then HubSpot bought us and I started looking at their business and I'm like, oh my God, enterprise software is so boring, but so lucrative if you can nail a couple things right early on. It takes a really long time to nail those things, but if you can. And so, I love investing in subscription revenue and particularly enterprise businesses. When we invest, we need things that can get really big.

Sam Parr [00:51:15]

And so, I try to find things that can ... From year one to year two, and then two to three, they need to be ... I want them to grow at 3x a year for those first two or three years. And if they can do that, then there's definitely potential to break out.

Ryan Moran [00:51:31]

So, you're basically piecing together what you've seen in your past experiences to be able to identify who's got what it takes to be able to match the criteria.

Sam Parr [00:51:40]

Yeah. Yeah, yeah. Yeah. And if I talk to someone, you can kind of figure out if they have ... I look for grit, so you can kind of figure out they have grit. So, tell me all the projects that you worked on. And if they have projects that are jumping from thing to thing, I'm like, oh, not a chance, I'm out. But typically if they have one or two that they've stuck with for a long time, I like that, but I like the business, I want ... It's a 3x trajectory for the first couple of years is really important because there's a high correlation between that and getting an exit that is meaningful. I'm an investor, I own a very, very, very small piece. So that needs to grow. It needs to become big in order to make it worth it for me. So I look for 3x.

Ryan Moran [00:52:20]

Are you comfortable with a high failure rate if you're looking for that amount of growth?

Sam Parr [00:52:23]

Yeah. So, the first 20 things I invested in, one of them, I turned a \$15,000 check into \$600,000. Another one I turned \$20 grand into a 10x. So #200,000. So that's, what's that? \$800,000 total. That actually paid up ... Until that point, I had only invested \$200 or \$300 thousand dollars of my own money. And so, those 2 out of the 20 paid for ... and that's typically how it works.



Ryan Moran [00:52:56]

So, that gave you a total return of a 400%, even though the others ended up being nothing.

Sam Parr [00:53:03]

It can be something, but ...

Ryan Moran [00:53:05]

Oh, they're still active.

Sam Parr [00:53:06]

They're still active. They could definitely be something.

Ryan Moran [00:53:09]

I want to turn it over to the group now. We don't have a mic runner. So just throw up your hand. We do have a mic runner. Ask and ye shall receive. Sam Prentice runs our fund. He just bought a microphone company. Hey Travis. What's that? Could we get a couple waters, by the way? We'll go right here.

Sam Parr [00:53:29]

And I'm an open book, so you can ask whatever, if I don't feel like telling you the transparent answer, I'll just say we don't reveal that.

Speaker 1 [00:53:37]

Sam, thanks so much, man. This has been super cool. [INAUDIBLE 00:53:42] So, my question is for The Hustle, it sounds like you really focused on creating these viral content pieces that captured a lot of attention, but how did you think about taking that attention on the blog post and then converting that into an email subscriber?

Sam Parr [00:53:58]

Yeah, so what we did was basically I had this ... And I actually Tweeted this out. It might be hard to find, so I'll reshare it today, but actually, every single day I had a spreadsheet and the whole team would meet once a week, but the team was just three of us for the first year. But basically I had a spreadsheet that said here's how much visitors we had and here's how many people gave us their email. And I would track that. So early on, it was about 3%. If you go to TheHustle.co right now, it's just an email capture page. That's all it is. What I did was I was like, alright, everyone's going to come through a side door, meaning a blog post that they're going



to see on Reddit, Hacker News, Facebook, through a friend, whatever. And once they go into the side door, my goal is to optimize the website.

Sam Parr [00:54:35]

So, they give me their email or they go to the homepage. For us, it was 3% of people. The first month we got ... The first week we got 10,000 users, but what does that mean? We must have had, what's that, 500,000, a million ... I forget. I don't do public math, but basically, I could just calculate, if I get a million people a month, 3% is 30,000. I can get those email subscribers. Once I got those email subscribers, I would incentivize those people to share more and we created an ambassador program. So, I would send them a free sticker if they referred four people. And that kind of created that flywheel. It was get them through that, go for blog posts, any blog posts to sign up with just a pop-up, and the pop-ups were all really funny.

Sam Parr [00:55:21]

I followed the principle of AIDA, attention, interest, desire, action. I did that for ... I see people writing, so I'll say it again. Attention, interest, desire, action. Just a very traditional sales technique. And so my pop-ups followed AIDA. And so there's this huge pop-up and it said, oh shit, not another pop-up. And then it said, look, now that I got your attention, you've come to those blog posts to read blank. I would put the title. But the reality is each day we send out stuff just like this. Enter your email here. If you don't like the email after a week, call me, and I put my phone number, and I'll Venmo you a dollar. I would do stuff like that because who the hell says that? Right. That's so weird. And so, I would get so many subscribers doing that, little things like that. Throughout the years we changed the technique, that's just one example of a tactic. The strategy remained the same of sticking out, but that's how I got the first bit.

Speaker 1 [00:56:20]

Gotcha. That was, that was going to be, my question is, did you offer a specific incentive topical to the post? Or did you just say, hey, if you like this, check out our email ...

Sam Parr [00:56:29]

Yeah So, if I looked at my analytics that morning and a lot of people were coming from a subreddit called like Kindles, Kindle, so I knew what posts they were on. I'd be like, hey, Reddit Kindle readers, and then I would say what I said before. Yeah, you could do that. We used WordPress, we would do that all the time. Or another tactic that worked really well is we use WordPress and they had this thing called an ad inserter. It's a plugin called ad inserter, but I wouldn't make it look like an ad. I would just make it like, hey, you got to the bottom of this post. It just looked like the rest of the posts. I worked my ass off to entertain you here. If you liked, enter your email here. It's the best way to help me, but I'm actually going to be helping



you because you're going to be able to feel the same feeling that you just felt every single morning.

Sam Parr [00:57:14]

I would write things like that and I would insert those onto every single post. It was always getting traffic. Or, so the posts were always getting traffic through search or whatever, and then they would always read that. And that just builds up. It just compounds.

Ryan Moran [00:57:30]

Alright. Let's go here in the middle of the room,

Speaker 2 [00:57:32]

Do you feel like the media experience that you've had over the past decade or so, do you think that actually [INAUDIBLE 00:57:38]

Ryan Moran [00:57:38]

Yeah. The question is, how does the media background impact the other businesses and investments that Sam is a part of.

Sam Parr [00:57:44]

Yeah, so, my partner in my fund had a blog called Little Things. Has anyone ever heard of Little Things? So it was a viral website that had 200 million monthly uniques and mine wasn't that big, but we had a lot. And what we're good at is using words, videos, audio, to get people to go from knowing nothing about you to liking you. And that's what we're good at. And a lot of people are really good at coming up with cool products to sell, and they're really bad at knowing this thing. So, whenever I invest in stuff, I think, alright, your product is interesting enough, but how are you going to distribute it? How are you going to get it into the hands of customers? What's the plan?

Sam Parr [00:58:28]

And so I'm always in my head thinking distribution first, and the reason why is I just go through this logical thing, basically ... A good product with bad distribution fails. Not always, but a lot. And then you have a bad product with good distribution, definitely can win. Look at Heinz ketchup. Many people will say, well, Heinz ketchup sucks. This other ketchup that's made of this organic stuff, or is from this small town, it's way better. It's like, well, they're not making any money. Heinz is. Why? Because they're fucking everywhere. Even though this lady has this wonderful ketchup, it's in no stores, it's going to fail. Now, if you can do a good product with



good distribution, that's magic, that's amazing. But I always think in my head, does this founder ... Are they ... Do they have an idea on how this is actually going to get distributed?

Sam Parr [00:59:19]

Whether it's literally ketchup being distributed to a store or do they have ... If they're a SAS company and their product does \$20,000 a year, are they ... Is someone on their team a really good sales person who can hire a sales team and like run a sales team, or are they a content marketing genius and they're going to ... So I just invested in Hiten Shah's company. Hiten Shah is a content marketing pro when it comes to getting small businesses to come to his websites via SEO. I was like, oh, well, dude, I'm in. I already know that how to get distribution. If you can have a half good product you're going to win. So I think about distribution constantly.

Ryan Moran [00:59:53]

Let's go to DJ in the back.

DJ [00:59:56]

What part of the [INAUDIBLE 00:59:58] what experience did you have for your ...

Sam Parr [01:00:01]

Put the thing there.

DJ [01:00:02]

What incentives did you have for your ambassador program? When you got ...

Sam Parr [01:00:06]

Yeah, yeah, yeah. At first ... It's changed throughout the year. At first, we did a bunch of interesting things. We would put a t-shirt, we'll fly you out there. The most ... It was like, you start with 5 friends to get one thing, 10, you get another thing, 100, you get another thing. We knew that one email subscriber was worth roughly \$10 to us. And so did the math of alright, how many do we need in order to [INAUDIBLE 01:00:26] and still be a profitable deal. And so, at first we did all this stuff. The best thing that we did, we just had a really cool sticker and we would design tens of stickers and people would do everything for a sticker. We tried this one thing where we created a candle called Elon's Musk. That crushed it, but then, that's breaking rules. So, they told us we can't sell Elon's Musk anymore.

Sam Parr [01:00:50]



But a really, really cool and funny sticker crushed it. Oh, and by the way, with the thing, with the ambassador program, the way it works is most everyone who wants to do it will get to that first level of four and very few people, only a couple will get to that thousand. But the ones that get to the thousand will almost get you as many people as that one. And so, we had a crazy good thing here, which is we're going to buy you a Tesla or something like that. And those people would get 30,000 email subscribers.

DJ [01:01:19]

Cool. And then, the last question is, so you said your email rate was 45%.

Sam Parr [01:01:24]

Unique open rate, much higher. 65% total open rate.

DJ [01:01:27]

What was the biggest ... That's a really high number, but what was the biggest ...

Sam Parr [01:01:30]

That's the highest I've heard of. Yeah. Why? So, we started sending once a week, and then we started sending twice a week, then we started sending three days a week and then we're like, fuck it. Let's just do six days a week. The more we sent, the higher the open rate went up. Yeah. Keep in mind, when we started, it was 28%, I sent once a week. Then I was like, well, let's do Monday and Wednesday. I was like, let's do Monday, Wednesday, Friday. I was like, let's just do it ... So, that was counterintuitive. And so, we send six days a week. First of all, our product is daily news. So, that's habit creating, but if you own ... What's the most common niche here, fitness?

Ryan Moran [01:02:06]

We'll just say health..

Sam Parr [01:02:07]

Health. Well, with a lot of health stuff, you definitely can do just an email that's a roundup, here's all the latest and greatest health related ... Here's the 10 bullet points of what happened in the health world today or whatever. You could totally do that. The reason our open rate is really high is because it was something that you ... It was a habit forming thing that you needed every day. By the way, if someone signs up to us, we called it gold, silver, bronze, and then we have copper, which I don't know if copper is less than any of those, but that's what we do. We know that a gold person will stay with us for three years and we know where those people are.



And we know what type of content they. We've studied this a lot. And so anyway, the open rate, the reason it works is a couple of things.

Sam Parr [01:02:52]

One, it's daily, and it provides information that someone relies on every day. So, if you're going to create a health thing, just put ... Do literally the utility stuff of what ... Here's the health roundup that you need to know. The second thing, do cute stuff, like, writing from my couch, with my cat Whiskers, who I told you about yesterday. He's finally over his flu. Let's get to the stuff. Just doing little, cute updates like that. And then third, you're going to add in the weather. Just anything that gets you to rely on it and want to ... And so, we would do ... Tomorrow I'm going to be in New York to meet with one of our biggest customers. I'll let you know how it goes. That's a cliffhanger, so I can get you to come back tomorrow. So we got you the news. That's going to get you ... And then I would add in all these other things.

Sam Parr [01:03:41]

Second, use a dedicated IP address. So, MailChimp has a shared IP address. It's not horrible because MailChimp is reputable and they kick off spammers, but you're ultimately sharing your IP address with a lot of people. When you get big enough, 10,000, maybe 50,000 people, spend more money and get a dedicated IP address. Basically, if you don't know what that means, which I'm not a tech guy, but what it means is Gmail, Microsoft, and all these companies, they look at who the IP address is coming from and if it's someone that has a history of spam, they send you to the spam box. If you have your own IP address, and you have a really high reputation, we don't spam. You have to sign up in order to get our stuff. They know that we have a high open rate. So, it's this weird thing where you have a relationship with them, that helps.

Sam Parr [01:04:35]

The third thing is be consistent, the same time all the time. And don't miss. What else? So, I have a dedicated team, there's services, that you can white list. So, what's it called? I forget exactly what it's called, but look up email white list services. And basically it's called a return path. Is it return path? Does anyone know what I'm talking about? Is it return path? Yeah. What did they change it to? Yeah, a few months ago. So it used to be called return path. We paid them \$40,000 a year. It sounds like a scam when they explain what they do. It's not, but basically they talk to the email service providers on your behalf and they say, these guys followed all the rules. There's also a service called Litmus. You send your email the day before, or right before you send it through Litmus. It'll say, here's everything that's going to trigger someone's inbox. Your photo doesn't have a tag. You've used the word free porn. Sometimes we'll write about Pornhub making something. They decided to make free porn. I don't know.



Sam Parr [01:05:44]

And so, whenever we write those stories, we've got to make sure we use words that wouldn't be a scam. You know what I mean? Or, if we're talking about money, we've got to make sure that we And so we'll put it through Litmus. I think that's it. We'll obviously ... You know the first, most important thing? Fucking good content. So get that.

Ryan Moran [01:06:03]

Let's do one more. [INAUDIBLE 01:06:05]

Speaker 3 [01:06:05]

I went touch back on distribution and how you think about, or how the actual process is, even if you create something that is very good, how does it actually get to those places? Right. So, you create that thing, but for somebody who's a little bit newer, how would it actually get to Men's Health or whatever it is so that those people actually hear it?

Sam Parr [01:06:28]

Well, I would never start with Men's Health.

Speaker 3 [01:06:31]

That's not what I'm ...

Sam Parr [01:06:32]

But it's important. Yeah, it's okay. Well, I'm going to make an example out of it. The reason being is Men's Health editors, I'm in the media industry, and I know all these people who are writing, they get all their shit from Reddit or from Twitter. And so then I'm just going to go there first. And so, what I mean is I like Reddit, right? Reddit's preferred place, but right now Facebook groups are probably the second best at the moment. What I do is let's say that I ... What's your business?

Speaker 3 [01:07:03]

Home office accessories.

Sam Parr [01:07:06]

Home office accessories. That's great. There's a whole subreddit on that. And I will contribute there. I'll take cool pictures of myself with my new desk. I'd be like, just got this thing. I think it's pretty cool. Ask me any questions about how it works, or here's my review of this chair or whatever. And then I would post 10 times good shit that does not promote anything that I'm a



part of, or at least I'm not selling anything. On the 11th post, I would say I've been following here for a long time. I run one of these companies. I think Reddit is amazing. I'm actually doing a deal where some of these people can buy something from us for a discount. Or you'll say I've been reading this subreddit for a long time and I actually noticed something that everyone here is doing wrong. And that one thing is very simple.

Sam Parr [01:07:51]

I'm making this up. Your elbows are in a horrible place on your desk. I wrote a blog post that explains exactly why that's true and how you can fix it. And so if you do a bunch of posts organically and provide value, I don't ... Remember what I said about the bullshit thing. I don't bullshit. I provide value a ton, then I'm going to do my thing. And you can do that in a lot of Facebook groups as well. I would also ... You could do it on Twitter as well, I would imagine. And then after I post it all there, then I would probably email the Men's Health and stuff like that. But I would think about in my head, I think, where's this going to get popular first? And then I'm already putting in the pre-work to make it, so I can post in those places and get traction,

Speaker 3 [01:08:32]

And then leading them to your site from there, with your ... And I wrote about this here, etc.

Sam Parr [01:08:38]

Yeah. And then I would put, and by the way, you don't want to click on my site, that's fine. I just copy and pasted it here. I just wrote the whole article here. I do that a ton. And then be like, but if you do want to read it, the link's down here. It always gets tons of clicks.

Speaker 3 [01:08:51]

Thank you.

Ryan Moran [01:08:53]

Sam Parr, thank you for being here. Anything ...

Sam Parr [01:09:00]

And we're doing questions after this somewhere.

Ryan Moran [01:09:02]

No, this is it. This is all the questions right now.

Sam Parr [01:09:05]



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— B E T H E C H A N G E —

Well, I'll be hanging out. [INAUDIBLE 01:09:07]

Ryan Moran [01:09:07]

One thing I want to ask, is there anything that the group did not ask you that they should have?

Sam Parr [01:09:15]

How to hire writers. That's very hard. That's very hard. The answer is basically right now, I just troll Twitter and I troll LinkedIn and I troll publications that I love. I usually send someone an email and or DM, and be like, you wrote this article. I love it. That's all I say. Three weeks later, I follow up. It's like, hey, look, I've got this thing going. It's not nearly as prestigious as where you are now, but it's pretty exciting for this reason, this reason, this reason. I've been obsessed with you since this article that I mentioned. Let's talk. Worst case scenario, you've got a new friend in the industry. Best case scenario, you're going to join us and it's going to change both of our lives. Are you interested? And I usually ... I'll do that constantly. It's pretty cool.

Ryan Moran [01:10:04]

One more time for Sam Parr, everybody. If you found value in this podcast and you're ready to go deeper, here are three resources where we can help you. One, you can grab my book 12 Months to \$1 Million on Audible or Amazon. It has over a thousand reviews and it's the playbook to building a seven figure business. Second, you can join our community of entrepreneurs who are following a plan to build a 1% net worth by building businesses and investing the profits. You can get plugged in at capitalism.com/1. And third, if you're looking to go deeper and build a seven figure business that you can sell, you can work closely with us inside the Capitalism Incubator, and you can get on the waiting list and find out what we do over at capitalism.com/inc. That's capitalism.com/inc.