

eBay Program

Chris Malta

1/28/05

Tape 2

ALAN BECHTOLD – So Market Wizard software is... I heard your Market Research Wizard is like... I've heard it recommended from so many people. That's why I wanted to make sure that we had included a discussion of that here.

T. J. ROHLER – Hey Chris, your prices are way too low!

CHRIS MALTA – Thank you. I can't tell you how many people I've heard that from; especially people that are good at Internet marketing.

ALAN BECHTOLD – You read my mind. I was just getting ready to say, for what you're providing it's just incredible!

CHRIS MALTA – You know, a long time ago we were priced lower than that even. A couple or three years ago we were priced at \$39.95 for the directories. Of course, they weren't as big then. But we just got hammered by people in Internet marketing that said, "You guys are nuts! You're not charging enough money for that!" So we actually did raise the price for it, because at that time we were hiring more people and moving into bigger offices and we had a lot of expenses. People don't realize how much it costs to do this research. It's thousands of dollars to buy those data lists from Dunn & Bradstreet, and flying around all over the country this past month has been expensive.

ALAN BECHTOLD – I was going to say, you guys... You just said you guys physically actually go to trade shows...

CHRIS MALTA – Oh yeah.

ALAN BECHTOLD - ...to build relationships with the wholesale providers you're going to list.

CHRIS MALTA – Yeah, and these trade shows last for five days at a time. The one in Atlanta that Robb just did was in a sixty story building – and every floor... It's the America's Mart. It's permanent wholesale companies based there, but they do a big show twice a year. So Robb actually enlisted his dad and his brother who both live in Atlanta and got them working on it as well. They sent back a big FedEx box of business cards from wholesalers that they had briefly pre-qualified. They'll say, "Can you work with home-based Internet businesses?" Yes. "Okay, can you drop ship?" No. "Okay, can you light bulk wholesale? Can you do minimums under 500?" Yes. "Okay, great. Can I have your business card?"

ALAN BECHTOLD – Right.

CHRIS MALTA – They just ran around those shows like that and every day, when they're at the shows, we get a big FedEx box back of just business cards with Robb's notes on them. And then our researchers hit it. They enter the data, they start calling the companies, and they go through the qualification process.

ALAN BECHTOLD – Everybody listening needs to realize that's when the work begins.

CHRIS MALTA – Exactly. Exactly. Because you can find as many people as you want at a wholesale trade show to tell you whatever you want to hear. But until you actually investigate them further, you don't know for sure.

ALAN BECHTOLD – Exactly.

Now, speaking of investigating them further and people not necessarily believing everything you're told... I'm going to pull your chain here a little bit and come up with an idea here that I know is a favorite topic of yours.

CHRIS MALTA – Uh oh.

ALAN BECHTOLD – What other reason... How about these other wholesale suppliers that you see advertised all over nowadays? You mentioned you basically started this business out of frustration and it was kind of a semi-crusade. Have they gone by the wayside? Are they still rampant everywhere...the other sources that we kind of mentioned in passing? Are they still out there hammering people and taking their money? What should someone watch for to make sure they're not falling into one of those traps?

CHRIS MALTA – They are still out there, Alan, and they still make me quite angry. They do. We get email from people a lot. They say, "I got this wholesale source or that wholesale source list and I spent a month trying to make this work and it didn't. I lost money. Can you guys help me?" and this and that. That is a big chain yanker for me, because when you see a supposed wholesale company advertising themselves on eBay...not just the lists, but this is individual companies too. I've already kind of done my grumbling about the lists, though. I'll probably do a little more of it here in a minute. But the big question is, when you see a supposed wholesale company...just one company...advertising themselves on eBay or on the Internet in general...

ALAN BECHTOLD – Right.

CHRIS MALTA - ...making all kinds of promises about the money you're going to make selling their products. That's another time to run the other way! Real wholesalers do not generally advertise themselves in open retail markets. Okay? Wholesalers are like a secret club. They're like the hidden inner workings of a clock and they like it that way. A real wholesaler just simply doesn't have the time to fend off every joker who wants to buy a stereo system for

their own house at a wholesale price, which is what happens when a wholesaler advertises themselves in an open retail market. You get all these people who call a wholesaler and pretend to be a retail business, trying to buy products cheaper just for themselves.

ALAN BECHTOLD – Right.

CHRIS MALTA – It’s just one thing. You also get a flood of people who pretend to be a retail business and ask for free samples of products. You know, “I’m a retailer. I want to test your products. Can you send me two or three of them for free?” They’re hoping to grab a bunch of stuff for nothing.

I actually saw a Web-Site once that was telling people to do that and then auction the samples on eBay in order to make money.

T. J. ROHLEDER – I know a guy who is selling that as an information product. He is actually teaching people how to do that!

CHRIS MALTA – Oh, my God!

ALAN BECHTOLD – The old, “build your business based on a lie,” huh?

T. J. ROHLEDER – Yeah. Yeah.

CHRIS MALTA – Exactly. Exactly.

These are a couple of reasons why real wholesalers want to stay in the background. They work through the direct sales channels that they’ve been using for as long as wholesale and retail has been around. You know? You may be able to find a few real wholesalers using the search engines if you dig deep. But the ones that come up near the top and have pages that advertise to

you, they're generally middlemen and MLM schemes. Wholesalers just do not have the time to open that many small accounts for no reason.

ALAN BECHTOLD – Yeah, there's paperwork involved, tracking, and all kinds of considerations they have to take...all kinds of work that they have to do to begin with.

CHRIS MALTA – You know, there is. And another thing to be wary of, as well, is again... We'll go back to the lists for a minute. The ultimate, amazing, central, and this and that...lists of wholesalers and drop shippers... It's kind of a funny thing for us to say that because we do the same thing. We publish directories. But we do it honestly. You know? For years now we're able to sleep at night. I don't see how these other people can. There's just a tremendous collection of garbage out there. It's the same old recycled and tired stuff – MLMs... eBay is just flooded with them, as well, and that's why Sydney Johnston and I recently co-authored an eBook which is called *Product Sourcing Scams Revealed* and it covers all kinds of information on how to spot product sourcing scams like a mile away. But more importantly, half that eBook – and it's a 136 page eBook – and half of it teaches you what real product sourcing is and how to do it on your own. You know, it's not an advertisement. Yes, we mention our company in it, but it's not an... It tells you in detail how to go about product sourcing research yourself. We sell it for 99 cents on eBay and we donate all the proceeds to the Boys and Girls Clubs of America. We're not there to make money on it. We're just trying to stop the flood of scam artists selling junk lists and hurting people's business.

ALAN BECHTOLD – Wow!

CHRIS MALTA – So by and large, just beware of wholesalers who advertise openly on the Internet because you'll probably end up wasting your time.

T. J. ROHLER – Well yes, and Chris, I just want to say this to you. I don't even think you're aware of this, but Chris Lakey and I have been customers of yours now for a couple of years. Chris, that's how we found a bunch of our wholesalers for our Mall of the World, isn't it?

CHRIS LAKEY – Absolutely. Definitely.

CHRIS MALTA – I had no idea.

T. J. ROHLEDER – Yeah, you have helped us. We didn't even know it... We didn't put two plus two together, but we bought your great, great, great product a couple three years ago and it really saved our butt. And you've helped a lot of our clients make money indirectly. So we're deeply appreciative.

CHRIS LAKEY – Yeah, and definitely I can speak to the ease of use and how it's so streamlined and easy to use online. I tend to like things that are online, as opposed to complicated software you have to download or you have to install it on your computer and things like that. So this is definitely a piece of programming that being right on the Internet you go to it, you type in your user name and your password and you click whether you want to search by the type of product or by the supplier/manufacturer or that kind of thing. It's so easy to use! In fact, I really hadn't paid much attention to the other two lines you have – the Wizard and also the Bulk...

CHRIS MALTA – (talking)

CHRIS LAKEY – Yeah. But based on what you've just been saying, I went to your Web-Site and bought them just a few minutes ago because those are great additions also!

T. J. ROHLEDER – Good! Good!

CHRIS MALTA – I can tell you, I really appreciate you saying that. When I find people who really know this business, like all you gentlemen do, and to be able to say that yes, this is a really good thing and it works for us. Again, validation. We know that we're doing the right

thing and we know we work very hard at it. But still, to hear it from people who really know the business is a wonderful thing. I appreciate that.

T. J. ROHLEDER – Well yeah, and you know, your Market Research Wizard... You talk about other people buying it for things that you had no idea it was intended for...

CHRIS MALTA – Yes.

T. J. ROHLEDER – I mean, I place a lot of value on spying. I love to spy on the competition and I think there's no better place to spy on the competition than the Internet because it's all right out there in the open.

CHRIS MALTA – Oh, you got it!

ALAN BECHTOLD – That's what we learned from Sydney right off the bat. It's very difficult for your competitors or anyone to hide on the Internet.

CHRIS MALTA – That's very true.

ALAN BECHTOLD – Well, we just saw you develop software that just goes right out there and snags the information you need without having to spy and snoop around on individual sites.

CHRIS MALTA – Exactly. It's just a huge timesaver. I think everything we do, Alan, is a timesaver. It's just really its biggest value, you know?

T. J. ROHLEDER – Well yeah, and I see some people listening to this and I think they're becoming heartbroken because some people invested in this program thinking that they were just going to get rich automatically and everything was just going to... You know, "If you build it, he will come," and that kind of philosophy from Field of Dreams. And they hear the fact that it

does take some time, it does take some work and effort. What do you say to that person that was a little bit delusional and now they're kind of frustrated, thinking oh my God, this is going to take some time?

CHRIS MALTA – You know, I actually have a line in one of my eBook chapters where it says... It talks about exactly that. It says, “Put away the teddy bear, Peter and Wendy. It’s time to come back from Never Never Land.”

Sometimes you feel so sorry for these people. I’ve seen some emails that are really actually really tearjerkers. From an older woman I remember one time who wrote to me and had invested something like six to ten thousand dollars in one of these instant programs. It was all she had! And then she lost it. And she asked us... She told me the story and she said, “Could you please...” “Would you mind giving us your products?” Of course not, you know? So then we comped her the directories and stuff – just to see if we could help. It just bothers me to such a huge degree to see these people getting stuck with these things – these bad programs. Yeah...

ALAN BECHTOLD – They’re most certainly everywhere.

CHRIS MALTA – They are.

T. J. ROHLER – Yep.

ALAN BECHTOLD – When do you see this as directions eBay and let’s just wrap in all the online auction companies. There’re a few others out there kind of rustling their chains a little bit, trying to break out.

CHRIS MALTA – Sure.

ALAN BECHTOLD - ...as opposed to direct Internet marketing with the Web-Sites...selling and that type of thing. What directions do you see all of this taking in the near future?

CHRIS MALTA – Well, one thing that’s really interesting to note is the direction that eBay is going in right now, which they started last July. I see them starting to take a very active role in support of eBay sellers. I don’t know how many of you have heard about the eBay Certified Provider Program. That’s a new Program. Now, eBay can’t be everything to everybody. eBay sellers need support and they need information in all kinds of areas. You know, from shipping and fulfillment to product sources to market research to automatic listing software and all kinds of different things. And eBay can’t be everything to everybody, so they’ve decided to best serve their sellers by outsourcing those things, I guess, for lack of a better term. They’ve been searching far and wide for the companies who they consider to be the best in all those areas and have qualified those companies as Certified Providers. That’s another thing you don’t get in a Cracker Jack box, by the way. That qualification process nearly killed us. Just the paperwork alone...you know? It’s very tough to get in and right now we are the only product sourcing publisher that they’ve allowed into the Program, and they don’t have any plans to let anybody else in. There are only 40 companies, I believe, in the world right now that are part of this Program. The payoff for us and our customers, I think, is incredible, though, because eBay takes this Certified Provider Program so seriously that once you’re in you are all the way in. I mean, we’re now in direct contact with eBay management constantly – both by email and phone. Before, we couldn’t even find a phone number to call! You know? But now that we’re a Certified Provider in this new Program, we’ve flown out to San Jose, we’ve had meetings at eBay corporate headquarters with all kinds of department heads, they consult with us on product sourcing issues, Robb (my partner) is heading out to a Certified Provider Summit in the next week in San Jose, and we’ve been invited to speak at eBay Live.

What they’re doing with this, again, I think they’re making a very serious effort to find all the real providers of the support that eBay sellers need and put them all in one place. And they’re starting, now, to advertise the Certified Provider Program more and more. They have a

Certified Service Provider and a Certified Solution Provider. A Service Provider would be just us, as a directory publisher. Okay, if we were just publishing directories we'd be a Service Provider. If we're providing a service and software, then you become a Solution Provider – which is their top of the line – and that's what we do. And to do this, I'm telling you, we had to have all our customer service people certified as eBay Certified Consultants, we had to have our programmers certified as an eBay Engineer, we had to have our company set up as an eBay Certified Developer, and that was just the start of getting into this Program. So I'm really pretty pleased that eBay is doing that there. And, of course, it's not just us. They're trying to find what they consider to be the most qualified people in all these different areas and put them out there for their sellers to use, which I think is great.

ALAN BECHTOLD – Oh, absolutely!

CHRIS MALTA – You're going to see more and more of that coming. There's going to be a real big push on it at eBay Live this year and the year after that. I mean, it's getting huge.

As far as the other companies go, personally my own opinion is, I think eBay is here to stay. I think they'll always be on top. I mean, just like dot com is here to stay. Right? The domain name thing?

ALAN BECHTOLD – It hasn't gone away.

CHRIS MALTA – No! You see all these people popping up with these new top-level domains like dot TV and dot biz and they tell you that this is a new domain name land rush. You know, grab your name because it's going to be the most popular. It's not going to happen. I mean, no matter how many new top-level demands come out...the only people that will always... People will always go for dot com first. We know that...it's dot com.

ALAN BECHTOLD – Right.

CHRIS MALTA – When you think about auctions, it's eBay. You know? So I don't really pay a great deal of attention to the other auction sites that are out there. I know that a couple of our people do. We have someone assigned to watch all that stuff, but I haven't heard anything from her.

ALAN BECHTOLD – There you go...right there.

CHRIS MALTA – So, I'm assuming there isn't anything to tell at the moment.

T. J. ROHLER – Well what about your most successful clients that are advertising away from eBay and doing other Internet stuff? Is there any common denominators that the successful ones have that might be of value to our listeners?

CHRIS MALTA – Absolutely.

I think the most successful people are the ones who take their time. I've seen it over and over and over again. You see people who rush through things and...you know, "I want to do this and I want to do that, and I'm going to create a store that carries a thousand products, and I'm going to have ten different suppliers," and they come to us and have all these grand ideas and they want to do these things. That's great. Enthusiasm is wonderful. It's great to be enthusiastic about that kind of thing. But you really need to take a step back and say, "Wait a minute." You've gotta walk before you run! And the people that I've seen who come to us very deliberately, from time to time, and ask questions... "Can you clarify this point? I didn't understand that. I'm doing some research on this other thing and I wanted some information from you." Those are the people that we end up meeting because they end up becoming successful because they take the time, they learn what's going on out there, they don't try to make money overnight. They know they're going to spend six months...a year, a year and a half really building a business and getting things going.

Andy Jenkins... I don't know if you know of Andy Jenkins. He's a very good example of that.

ALAN BECHTOLD – Yes, I've heard the name anyway.

CHRIS MALTA – Yeah, he works with Brad F_____ - stopping the search engine optimization and that kind of thing.

ALAN BECHTOLD – Oh, okay. Yes.

CHRIS MALTA – Andy is one of our former directory customers. He started out with a directory a couple of years ago and now he's got 40 Internet stores. He's sourcing products from India. He's bringing over container loads of products from India. He's got informational products out there – a couple of really good eBooks. We have a lot of people that are like that. And you know, early on...years ago, Sydney Johnston wouldn't talk to me. You know? And I'm not dumping on her, because Sydney was perfectly right not to. I mean, she didn't know me. I was out there... I had this new directory thing and Sydney's been on line for nine years or ten years almost.

ALAN BECHTOLD – Right.

CHRIS MALTA – And I'm looking at Internet experts and I'm writing to them and I'm saying, "I have this directory that I'm putting together. Would you like to promote it to your people? Here's what it does..." Those things come in every day. I mean, you guys know that more than I do. You get people coming to you and wanting to work with you all the time and you just can't answer everybody. But after you get to a certain point... After you take your time and you're deliberate about your business... Now Sydney and I are great friends and she comes down here all the time to see us.

It's just, I guess...that was the really long answer. But the short answer would be: be patient, be deliberate, take your time and learn what you're supposed to be doing.

ALAN BECHTOLD – It is, after all, a business.

CHRIS MALTA – Yes.

T. J. ROHLEDER – Well yeah, and therein lies part of the problem too. Maybe I'm an offender, too. We're all looking for the quick and easy buck – at least I am! I'm not even... I don't feel guilty about it, because I'm not out to screw anybody over or rip anybody off.

CHRIS MALTA – Right!

T. J. ROHLEDER – But I'm looking for the quick buck! I want to make fast, easy, simply money! Should I feel guilty for that?

CHRIS MALTA – I would love to make fast, simple, and easy money. I would. And if you ever find a way, I'll buy the Program from you.

T. J. ROHLEDER – Well, here's what I've found. I've found that a lot of times, when you get just the right elements going in your favor... There have been times in the last 17 years – although brief times – when because all the things were positioned just right. We hit the right opportunity at the right time. It's just like I'm sure that you've seen a... You know, the Market Research Wizard... You would maybe uncover some certain things that, for that brief moment...whether it'd be six months or eight months...you just get just the right products and everything. It's the timing that's perfect. We've had periods where the money has just rained on our heads...

CHRIS MALTA – Yes.

T. J. ROHLEDER - ...faster than we knew how to spend it sensibly.

CHRIS MALTA – And you know what? You're absolutely right. I mean, that's my experience too. There is the right place at the right time and there is information that... And I know that all you guys have wonderful information out there. I was actually... Since I was contacted and asked to be a part of this, I looked up all your Web-Sites and everything and I've seen fantastic information on it. And when you use that information in the right way, at the right place, at the right time...great! You can make money.

There's a guy that I interviewed...or actually tried to interview on the Entrepreneur Show very recently. Unfortunately, the studio had a problem with the phone connection and I ended up conducting the interview myself – which was really interesting. Ask and answer, you know?

ALAN BECHTOLD – Yeah!

CHRIS MALTA – But he started a Web business a year ago. He started with our directory. I'm not trying to promote the directory or anything, but he did buy the directory and he found a couple of suppliers of wedding favors. He started this thing a year ago and he did 1.2 million in the first 11 months, and is now sourcing products directly from China.

T. J. ROHLEDER – We heard about him, I think, through Todd. Was it Todd Taylor that was telling us about him?

CHRIS MALTA – Todd knows who he is. Yeah, absolutely. Right.

T. J. ROHLEDER – Yeah.

CHRIS MALTA – It can be done. It's just that, by and large – overall – I think that people just have to be able to walk...be able to be patient and walk before they run. If there's an

opportunity that looks great...grab it! But be careful with your money because there are so many scams out there.

T. J. ROHLEDER – Well sure, you focus on hitting those base hits and every once in a while you'll get a double or a triple...and sometimes you'll get a homerun, and maybe a couple times every decade you'll get a grand slam.

CHRIS MALTA – Exactly. Exactly. Yes. That's very well put.

T. J. ROHLEDER – Yeah, I kind of like... I just think that the people that always try to hit it out of the ballpark every time, those people end up becoming discouraged awful quick and they quit before they ever... I mean, if they would just hang in there.

Russ, you're the one that taught me that baseball analogy. Any words of wisdom from you?

RUSS VON HOELSCHER – Well, I agree with what Chris is saying here about it takes time to build the real substantial business. And I agree with you, T. J., there's been times in my 30 year career where I had the right product at the right time and the right sales material, and money just flooded in immediately. I always say, "Don't get rich slow if you know how to get rich fast."

Chris, I want to ask you... How is your last name spelled?

CHRIS MALTA – M-A-L-T-A

RUSS VON HOELSCHER – And what is your main Web-Site that our listeners can go to?

CHRIS MALTA – Our main Web-Site is www.worldwidebrands.com - all one word.

RUSS VON HOELSCHER – Right.

You've given us some great information. I mean, the right product sources are instrumental to success, so I think you've done a great service for our listeners.

T. J. ROHLER – Well and, Russ, for years... You know everything that Chris is saying about finding wholesalers that really aren't wholesalers. I mean, you've been battling with that for years, haven't you?

RUSS VON HOELSCHER – Oh, everyone has because about 90 percent of the wholesalers are just "pretend" wholesalers, you know. They are just the middlemen who might be three or four parties away from the "real" wholesaler, and then your price goes up 50, 70, a hundred percent. So the service that Chris is providing where you can get to the real wholesalers with this Light Bulk or the Drop Shipping is a great, great service.

DON BICE – I think what's interesting is that... I don't know whether it was done consciously or not, but Chris took a proven idea – a concept – to start his business with. One of the best selling products, steadily selling, year in and year out, since mail order business started has been a drop ship directory or a wholesale buyers directory. They have always sold.

CHRIS MALTA – Yeah, that was the first one I bought.

DON BICE – That's right. The beginning of time...the beginning of time! So what he did was find the weakness in the product and then he compensated for it by using new technology.

T. J. ROHLER – Absolutely.

DON BICE – And so he really had a big investment... I'm not belittling his accomplishments, because they're great. But he started out with a concept that worked and just improved upon it.

CHRIS MALTA – Right. Right. Better mousetrap... It's the old saying, right?

T. J. ROHLEDER – And your prices really are so cheap that anybody that's listening to this that's serious about making money – no offense, but they're foolish if they don't take advantage.

CHRIS MALTA – Oh no, I don't take offense to that at all. Believe it or not, we actually get people who write to us and say, "You guys are crazy! You're charging too much!" You know why?

T. J. ROHLEDER – Those people are idiots! Those people are absolute idiots!

CHRIS MALTA – Well you know, it's because they see these things on eBay that promise them thousands of wholesale sources for \$4.00.

T. J. ROHLEDER – Yeah, right.

CHRIS MALTA – "These will work and they're only charging four bucks and you want seventy? You guys are crazy!" Just read our Web-Site for a minute and understand what you're talking about first, you know?

ALAN BECHTOLD – That's all it is. That's why it's so important what you said. You've got to be prepared to keep learning.

CHRIS MALTA – Yes.

ALAN BECHTOLD – You never stop learning to run a business.

CHRIS MALTA – Yes.

T. J. ROHLEDER – Well, I love your story, too, about the things that got you into the business with all of the... You know, because I think so many of us can say the same thing in our own unique way. Those of us who got started in our own markets, out of a sense of frustration, that's how we realized that there was a tremendous gap or a demand, and that the supply wasn't being filled in the right way. I mean, I just think it was great to hear that from you – knowing that so many other people share that same kind of story too.

CHRIS MALTA – You know, Andy wrote an article... Andy Jenkins wrote an article that appeared somewhere. I'm not sure where it was. It may have been Entrepreneur – on their Web-Site – but he said, "Chris has been through the same meat grinder that we all have." And that's absolutely true. I remember that meat grinder well and I don't want anybody else to have to go through it, you know?

ALAN BECHTOLD – It's an apt description, isn't it?

T. J. ROHLEDER – Absolutely.

DON BICE – Chris, I know that information products sell well on the Internet, and I know that many of our listeners are selling informational products. What's your feeling, without it being in a given category, but what's your feeling about information products selling on eBay?

CHRIS MALTA – Information products selling on eBay is not a bad thing, I don't think. You use the "Buy It Now" price.

DON BICE – Okay.

CHRIS MALTA – And you can do well. But we don't put our informational products on eBay because there are so many people out there claiming to sell the same thing, but selling it for \$4.00, \$12.00. You know?

DON BICE – Okay.

CHRIS MALTA – We just look bloated and way overpriced when we do that. So what we do instead is what Sydney and I did with the new eBook. We put the *Product Sourcing Scams Revealed* eBook out and pointed out to everyone... We put it out there for 99 cents and donated the money to charity and said, "Okay, this is how you spot the scammers..." Of course, we detailed exactly how to spot the scammers. So that's our entry into the eBay market, really. To show people how to do things right, number one. And that's something we always do with our informational products is, we tell people how we do it and we teach them how to do it themselves. If they want to do it themselves...wonderful!

DON BICE – Yeah.

CHRIS MALTA – Once you do it yourself and you realize what a tremendous amount of time it takes, then you're probably going to want to come and talk to us.

DON BICE – That's right. I had a friend who sold research services for trade shows and he was doing seminars as lead generators. He was teaching how to do everything he did, yourself.

CHRIS MALTA – Yes.

DON BICE – And I said to him once, "Hey, you really give them everything! In fact, after the seminar there is no reason they need you," and he said, "Oh yes. As soon as they try and find out how much work it is, they're more than happy. I don't have to justify my price at all!"

T. J. ROHLEDER – Well yes, and now they know he’s honest too.

DON BICE – That’s right.

CHRIS MALTA – Exactly. Exactly.

We have a dozen people working in an office doing this for us, every day of the week. And you can’t do that by yourself. It’s just too much work.

DON BICE – Would you like to give them a location they can get that 99 cent book?

CHRIS MALTA – Oh sure. There is a Web-Site called [productsourcingscamsrevealed](http://productsourcingscamsrevealed.com). I know it’s a long name, but it’s “productsourcingscamsrevealed” and it’s the same thing. It sells for a buck on that Web-Site and the money is donated to the Boys and Girls Clubs of America. It’s an instant download.

DON BICE – Great!

T. J. ROHLEDER – Well look, we’ve got about 15 minutes left here on this Program, so I’d like to just keep this thing rolling. I mean, there was so much covered here and we don’t want... I mean, I just don’t want to give people the false idea that this is all like an infomercial just trying to sell your product, Chris.

CHRIS MALTA – Right.

T. J. ROHLEDER – Although, for the amount of money that it would cost them to get this continual updated accurate information, they’d be foolish not to.

CHRIS MALTA – Exactly. But like I said, I'm more than happy to talk about exactly how we do all these things and exactly how people can do it themselves.

DON BICE – If someone has found a wholesaler, by any means, that they suspect would be a...that they're considering doing business with... They're not searching for a company...they have just identified a company... How would you suggest they go about doing some basic checking on that company to find out if they are a legitimate supplier?

CHRIS MALTA – Well, one thing that you're going to find is that if it's a fake wholesale supplier, they probably will not have a phone number listed under that company name in their hometown.

DON BICE – Okay.

CHRIS MALTA – Okay? That's one of the things that we look up if we have to. If we find someone we're not sure about, we'll hit the Internet Yellow Pages. Usually Yahoo Yellow Pages or something like that, and enter that town or city where they claim to be, and enter the business name. If we don't find it, that's a pretty good indication that they're not there.

DON BICE – Okay.

CHRIS MALTA – We have actually gone as far... And we go to the opposite end of the spectrum here. We've gone as far as actually bringing up maps from Map Quest and looking up the address, because the address can tell you something too. If you have an address of a wholesale company that's 14 Sunflower Way, it's probably a residential street.

DON BICE – Yes.

CHRIS MALTA – If it's 1100 Commerce Drive, then you've got a better shot that it's a real company.

ALAN BECHTOLD – Especially when it comes to wholesalers, which can't just hide in a garage from anybody.

CHRIS MALTA – No. They try to, but they're not real. Yeah, exactly.

I've actually brought up maps on Map Quest when I can't tell from the address. It's a neutral address. I'll bring up a map and see if I see any railroad tracks or like a City Center very close to the address, because that's most likely an industrial area. I know that's going a little bit nuts on it, but sometimes we get to the point where...

DON BICE – No, no, no.

T. J. ROHLEDER – No, that's not.

DON BICE – Not if you're going to send them your money!

CHRIS MALTA – Right!

Other ways to check things out are Better Business Bureau. We usually have a listing on _____ Company, if they're a member, of course. You can also find things out through the local Chamber of Commerce. So if you really want to protect yourself, a couple of phone calls to a local Chamber of Commerce in that company's city will tell you whether they're a real company or not.

T. J. ROHLEDER – Okay, so we all know that the scam is that they're three sources away from the wholesaler and it's all stepped up and the prices are not true wholesale. We also know the scam where people out and out just take the money and don't deliver. What are a couple other very popular scams to watch out for?

CHRIS MALTA – Well, I think that... Okay, so we talked about the MLM thing, right? And we talked about people who just disappear.

T. J. ROHLEDER – Right.

CHRIS MALTA – There are also... Something that's not... Well, I don't know if it's an MLM or not. I don't know what to call it, really. There's a couple of companies – one on the West Coast that I'm sure everyone knows about – who have No Name Catalogs.

T. J. ROHLEDER – Oh yes, we all know those companies!

CHRIS MALTA – Yes. Now you can actually buy... You actually can buy at their lowest level wholesale pricing if you become a direct member of that company. Okay? But the problem is... And again, this touches on MLM – but the problem is that that company gives... If you're a direct hook-up with their company, they give you three price sheets. Okay? Like the blue, the white, and the gold (or something like that). And they tell you that you can go out to other people and tell them that you are the wholesaler – just give them the next level price sheet. You know? And then they can go out to the next person and tell them you're the real wholesaler and you just give them the final level price sheet. Okay? This goes on all the time.

And there are other issues, like I told you that someone tried to get into our directory with their eBay store last week. This person is buying products, so we instantly recognize him. People don't realize... These people don't realize that we see the same products coming from these fake wholesalers and things like that. Actually, I should say “fake wholesalers” because the actual source – once you find that source – is a real wholesale source. You know? But these people keep trying to tell us, “I'm the wholesale source for these products.” Well guess what? I've been seeing these same product images on the Internet for the last three years and you are not the original source, okay?

There's just all kinds of ways that people try to cheat you.

RUSS VON HOELSCHER – What about close-out sources? I get this publication called the *Close-Out Journal*.

CHRIS MALTA – Uh huh.

RUSS VON HOELSCHER – These are legitimate sources. I've dealt with a few of them over the years. But they're loaded with close-outs. I know the disadvantage of close-outs is, you might be able to buy a couple hundred units but when they're gone, they're gone. What is your feeling about close-outs?

CHRIS MALTA – I think close-outs can be a good thing. I think they can. We have worked with a company in Atlanta recently. We were thinking about opening a Close-Out Center on our Web-Site, in fact. There's a company in Atlanta that has top-level contacts with huge manufacturers all over the country. They do different things with those companies. But we had the opportunity to look at that, and close-outs are good as long as you trust the person you're getting the close-outs from. Because I've heard from people who've bought pallet loads of products – like clothing, for example. One woman wrote to me a while back and said, "I bought a close-out pallet of clothing and the clothing was opened, it was dirty, there were buttons missing and zippers missing." Basically, what it was, was just the leftovers from the stock room. But then again, you can find companies that have really good close-out deals. Because the model numbers... Every year models number revolve and model numbers change, new product runs are made, and the leftover stuff is still on pallets and still in original boxes and never opened. If you can find those deals they're fantastic, yeah.

T. J. ROHLEDER – Yeah, it's not uncommon at all to buy stuff for ten cents on the dollar. Right?

CHRIS MALTA – That's right. It's not uncommon at all.

DON BICE – Generally speaking, when you see someone advertising sources “buy below wholesale”. Isn’t that generally a tip-off that that’s not a legitimate source?

CHRIS MALTA – Yes, I would believe so.

DON BICE – But you see that advertised often...buy below wholesale. Well, wholesale is wholesale!

ALAN BECHTOLD – I always thought that. Yeah, where the heck did they come up with “below wholesale”?

DON BICE – Yeah, how do you get “below wholesale” unless it’s a close-out, of course.

T. J. ROHLER – Or, unless it’s some organized crime deal!

CHRIS MALTA – You know, there actually is a way to go below wholesale, but it’s not something that you would see advertised. I do... I am a part owner of a wholesale company in New York. I haven’t brought it up, because it’s kind of a conflict of interest for my Worldwide Brands and I don’t talk about it a lot. But I did help... A wholesale company in New York had started and I own part of that company. We get something what’s called “keystone pricing”. Now when we buy from the manufacturers we buy from, we get a standard wholesale price for the products. But on certain products, because we’re an authorized distributor, we get what they call “keystone pricing” or “key pricing” is what everybody calls it. And that is below their standard wholesale and it depends on the number of units purchased and things like that. But that’s the only context I can think of that phrase coming from. But that’s an internal thing with the wholesalers – not something wholesalers go out and say. You know? You don’t say, “Buy below wholesale,” because they’re a wholesaler. You know? “Buy below us...” What sense does it make? So no, I think it’s just a catch phrase.

ALAN BECHTOLD – Now if somebody says “keystone pricing” or...

CHRIS MALTA – You are right. Then that could be somebody knowledgeable about what they're doing.

ALAN BECHTOLD – Yeah.

T. J. ROHLER – Right. In most cases, though, a legitimate wholesaler is dealing straight with the factory? Is that it?

CHRIS MALTA – Yes. Absolutely. That's one of our criteria. They have got to be a factory authorized supplier for that... And being factory authorized is not easy either. The wholesale company I'm referring to that I help set up...it took us a year to get our first factory authorization and about six months to get the second one.

ALAN BECHTOLD – And I noticed you mentioned your directories cover like...what was it? Four thousand brands or something like that.

CHRIS MALTA – Yeah, it grows all the time. It's close to 5,000 now and it's over two million products.

ALAN BECHTOLD – So these are like, quite often, big well known name brands that you find wholesale sources for?

CHRIS MALTA – Yes.

We do a mix of both. I think it's important for people to source a mix of both. I mean, the big brand name products are great and definitely the brand names will help you sell. But there are times when you want to mix your products with niche products, as well, that are unique enough to draw people in to look at the big brand names to begin with, because the big brands you can find anywhere. Well, they're good to have on your site – and they're great to have on

your site, in fact. You still want a mix of products – something a little bit unique – just to draw attention.

ALAN BECHTOLD – That’s good advice.

T. J. ROHLER – Well sure. Something that’s totally unique is kind of like a front-end kind of thing to induce new customers, maybe, and then have a bunch of other stuff once you’ve got an established customer. Is that it?

CHRIS MALTA – Well sure. Yeah, you can put out a Kitchenaid Toaster on your Web-Site and get them in there and say, “Hey, by the way, have you ever seen a plastic toaster weasel?” You know? “It’s really cool. Your kids will love it! It pops up in the toaster when you’re not using it.” You can sell all kinds of little things, and you can go the other way too. Something that’s fairly unique... you can sell toaster cozies, maybe, on eBay and then when I get to your eBay Store...then you’ve got a few brand name toasters in there as well.

ALAN BECHTOLD – Need a new toaster to hide under that cozie?

CHRIS MALTA – Yeah! Right. By the way...

DON BICE – Well, and it’s just like retailers... They’ll put a designer shirt there for \$65.00 and then they’ll put their own house brand shirt next to it for \$50.00 – and all the time the house brand shirt is really something that would have sold for \$14.95.

CHRIS MALTA – Exactly!

DON BICE – But because it’s there with a known name brand, it will sell.

CHRIS MALTA – Exactly. Yeah. Yeah.

ALAN BECHTOLD – That’s a good idea to mix them up like that, though. The name brand gives you that legitimacy stamp and...

DON BICE – That’s right.

CHRIS MALTA – Exactly.

ALAN BECHTOLD - ...and now you’ve picked something else cool that I’ve never heard of, but I know this guy must be good. He sells Nike, for crying out loud!

CHRIS MALTA – That’s right. That’s right, exactly.

ALAN BECHTOLD – That’s great!

T. J. ROHLEDER – Well sure, it’s all about.. This is just limited by your imagination, and I think that’s part of the problem with some people. Well, they don’t realize... Isn’t it kind of a... Well, the most successful people are always the ones...at least the people I know...they’re the ones that are so passionate about what they’re doing that when they’re putting in serious hours that look like workaholism to most people, it’s just because they enjoy the hell out of what they’re doing! It’s a game. It’s fun. It’s creative. It’s not like going to some stupid job that you hate!

CHRIS MALTA – That’s right! When you’re working for yourself, sure you feel that way. Those are the most successful people...the ones who are passionate about it. Exactly.

One thing I caution people about is don’t be too passionate about sticking with things that you know. You’re going down the same line... I mean, use your imagination because we have people sometimes that write to us and say, “We’re looking for sellers of English riding saddles, and if we can’t find that then we’re not going to sell anything.” Well look... Because they’re a riding and because they’ve been riding for years... Okay? Like I said, I use example because

my daughter is 9 years old and she rides in competition and I've done those things myself. But when people think they have to stick to something that they know in order to be successful in that, that's a drawback, I think, too. It's a limiting factor, you know? If someone can use their imagination and go out and be willing to explore new product lines and different ways of doing things, that's extremely important.

When I first started on the Net, I started selling electronics – which was a real dumb thing to do! Because that is just a flooded market with no margins. After the first few months I realized what I'd done and I started, actually, researching. That was when I first started researching and doing those steps I gave you earlier about how to do the research. I came up with electronic dartboards and indoor games that I thought would be good. I started selling those and my business started doing well. But I don't like to play darts! You know? I've never played... I don't play darts. I have a brand new dartboard that I got all those years ago from that supplier. It's still in my closet in the original box. But that doesn't matter. It doesn't matter. It's the fact that the product sells. That's what's important. Whether I like it or not...it doesn't make any difference.

ALAN BECHTOLD – Well, in fact, you're never going to convince your prospects to buy what you want them to.

CHRIS MALTA – Right! Right.

ALAN BECHTOLD – You want to sell them what they're looking for.

T. J. ROHLER – Absolutely.

CHRIS MALTA – And you have to learn about that. If you're going to sell new products, you've got to learn about it. It's okay if you know everything there is to know about saddlery. But if you can't sell saddlery on the Internet, then learn everything there is to know about dart boards. You know?

ALAN BECHTOLD – Right.

CHRIS MALTA – It's not that hard.

ALAN BECHTOLD – It can be fun!

CHRIS MALTA – Yes!

T. J. ROHLEDER – Well it's all fun and that's the thing, for the person that's never experienced it... It sounds like work and yet, really, it's more like fun.

CHRIS MALTA – It is.

T. J. ROHLEDER – It's like the guy that's engrossed in his hobby and every waking hour that he can spare he's in the basement or in the garage. He's not just there to get away from his wife. He's there because he's passionately engrossed in something that he's enjoying.

CHRIS MALTA – Yes, that's true. That's true.

DON BICE – I think all of us know that feeling, don't we?

T. J. ROHLEDER – Absolutely.

CHRIS MALTA – We certainly do.

ALAN BECHTOLD – And what better hobby to develop than one that brings more money in?

DON BICE – No kidding!

CHRIS MALTA – It’s a roller coaster ride. I’ve described it as a roller coaster ride before, and it’s just a fantastic one. I mean, when you can actually start a business and build it and watch it grow...and watch it become successful, it’s the most thrilling thing! It’s wild!

ALAN BECHTOLD – I’m glad you described it, though, as a roller coaster ride as opposed to an elevator. Some people expect it to always be “up”.

T. J. ROHLEDER – Absolutely. Absolutely. It’s life accelerated and it gives you the best of all of it – the best of the best and the best of the worst, sometimes.

Listen, we’ve really kind of run out of time here. But Chris, you’ve been extremely helpful to us and I know to our listener. And whether they realize it or not, they owe you some... They owe us some gratitude for convincing you to be part of our Program. And then they owe you a lot, even though they don’t realize it, because it’s an endless maze of rabbit trails out there when you’re looking for good wholesale sources. We’re proud to have you as part of our Program here.

CHRIS MALTA – Well it certainly didn’t take much convincing. It didn’t take any convincing. I was more than happy to be here. I know all of you and what you do on the Internet and I’m actually quite honored by the fact that you asked me. And I’m really appreciative of the opportunity to get some of this information out to people and explain to them what they should be looking out for.

ALAN BECHTOLD – I want you to be sure and give people the Web address, as you’ve mentioned before, again.

T. J. ROHLEDER – Yes!

ALAN BECHTOLD – Because I want to strongly stress – he’s charging too little and he may come to his senses!

T. J. ROHLEDER – We’re going to talk him into coming to his senses!

DON BICE – We’re just going to buy it wholesale, that’s all.

T. J. ROHLEDER – We’ll buy it wholesale.

(talking by panel members)

T. J. ROHLEDER – Okay, one more time, Chris...

CHRIS MALTA – worldwidebrands.com

T. J. ROHLEDER – Okay.

DON BICE – And the location for the scam book?

CHRIS MALTA – That is...productsourcingscamsrevealed.com

Sorry about the long name!

T. J. ROHLEDER – No, no. It’s a very descriptive name and that’s good.

Hey listen, Chris, again it’s just been a real pleasure. We have run out of time. For our listeners, go back and listen to this several times and take notes the third time and the fourth time. Please, listen carefully to everything that Chris has shared with you. And really, this is not meant to be an infomercial or something...but you’re an absolute... You’re pretty foolish if you don’t take advantage of his great services for a great price.

Now let's go to the next section!