MONEY-MAKING SECRETS OF MARKETING GENIUS
JAY ABRAHAM AND OTHER MARKETING WIZARDS

By Mr. X

A No-Nonsense Guide to Great Wealth

and a Personal Fortune.
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Recommended Reading
UNDERSTANDING WHAT'S AHEAD

In this book I’ll be quoting extensively from Jay Abraham’s publications and to lesser extent from other works. Since I want the reader to clearly differentiate between my written comments and the material I quote, my sentences will be printed in bold type. In that way you can pick up my comments more easily and I will only need to use quote marks at the beginning and end of a quote.

My comments are intended to make these valuable lessons more easily understood and assimilated by you. In most cases I will not mention the specific publication that a quote originates from. A bibliography is included in the back of the book that mentions all books and publications recommended and quoted from.

The first few chapters of this book will each elaborate on one example of Jay Abraham’s principal marketing themes. Then we will switch gears and cover certain aspects of starting a business with emphasis on marketing for new companies. Next we’ll cover the balance of Jay’s marketing message and important lessons from other marketing wizards.

You should not expect to master the contents of this book in a few days or week. This book is a virtual encyclopedia of the world’s most profound marketing lessons. It will take years of experience for you to get it all down pat. You should refer to this book again and again over the years ahead. Each time you pick it up you will learn new lessons of great value. Never before has a marketing book contained so much wisdom and so many money-making insights. Study it, apply the lessons and in time you, too, can be acknowledged as a marketing genius.

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The first thing that Jay Abraham tried to teach me was the value of a customer. I don’t mean the lukewarm, wish-washy appreciation of customers that most businesses have. I mean the intense insight that it is not new customers, but old customers, that are the key to growth and profitability.

The company does not exist that fully maximizes the potential inherent in its customer base. In fact, most business owners stubbornly refuse to change their ways when it comes to marketing to their existing clients. They are blind. Jay Abraham began to pound me incessantly on reselling my customer base. He literally forced me to take steps that led to marketing programs that capitalized on our greatest asset—our customers.

Jay suggested my company buy a computerized printer. This new technology (in 1975) printed personalized letters in quantity. Up to that time we mailed a haphazard solicitation to our customers once or twice a year. We mainly concentrated on bringing in new clients and after the first order we left it up to them to call us and reorder. Although we had salesmen that out-called, they had pretty much drifted into the habit of waiting for incoming calls.

Next we bought a machine that signed my name to the letters in real ink. So all day long the printer would cough out personalized and informative letters to individually addressed customers and the arm of the signature machine would crank incessantly signing my signature. Every customer began to get my letters on a regular basis. The results were spectacular. We just kept selling more and more.

"Your best prospects are your existing customers. If you’ve been putting all your marketing efforts into acquiring new customers, stop and divert some of your resources into reselling, upselling, and cross-selling to those same customers. In every way possible—through package inserts, regular mailings, special offers—stay in touch with those customers and get them used to buying from you."

I fought Jay tooth and nail on this rather obvious business advice. I’m not a blockhead so I know that others share the stubbornness I had. I could find all kinds of reasons not to employ new strategies, most of which were tied to the fact I had never done these things before. Although you may not have the benefit of direct prodding from Jay as did I, you have a well-reasoned written argument before you to set aside your prejudices and begin to do new and innovative things. I implore you to be open-minded and to try some of these new strategies.

"First of all, your customer relationships are the number one asset you have. You can secure customer relationships by:

1. Keeping in touch—whether it be by telephone, mail, or in person—all customers want to feel that they are special and that you take special interest in seeing to their needs.

2. Providing post-purchase reassurance. Each time a customer places
an order with you, call him/her a week after receiving your product or service to see how it’s going. This will allay any post-purchase dissonance.

3. Giving your clients the best deals and guarantees that you possibly can get away with.

4. Preferential pricing -- let your ‘old’ customers in on the best deals first. Give them the opportunity to buy your sale items before the public does.

5. Building rapport and trust. Be as honest as you can be with your customers. People do business with ethical people they can trust.

Keep an accurate and timely customer list. Updating and reusing your customer list is crucial. If you have a solid customer list, you’ve got a solid customer base. Work those customers that you already have -- they’ve bought from you once, and if they had a good experience -- they’ll buy from you again." This advice is the primary message of this chapter.

"Your company should be run and operated as you would expect it to be if you were the customer. Constantly look for ways to improve the treatment of your customers, because they will respond to you through the most important vote of all, their sales dollars.

Taking it further, do not accept mediocrity in any phase of your business, particularly in your customer relations and your sales efforts. Those two functions form the basis of every company and serve to separate the marginal companies from the most successful.

A case in point: Why do so many people appreciate McDonald’s? Because of the efficiency, cleanliness, and manners of their employees. How long do rude counter people last at McDonald’s? Consider also their product line. Every time you order, whether in Maine or California, you know what to expect. There are no surprises.

I believe anybody who has a moderate quantity of customers should immediately begin a perpetual communication with their customers to set the stage that they’re a trusted friend and advisor.

The first thing to do is send a letter within five days or a week from the time of your customer’s first transaction where you:

1. Thank them;
2. Resell the value of your company; and
3. Reassure them of the prudence of purchasing the product or service (if that can be identified).

Such a letter essentially programs the customer to repurchase and revisit and rethink in terms of dealing with you. (It’s always a good idea to first test your messages because they’re different in every situation.

Perhaps make your customers an offer of either an additional product or service they can purchase on a preferred basis, or if what they bought can be exchanged or returned, up-sell them to a larger unit. In the power boat industry, SeaRay has a 100% guarantee, trade-in allowance every time you trade up. They get lots of trade-ins for larger, more
expensive boats. It makes good sense.

The point is, you must reinforce the buyer's buying decision. This simple action can prove extremely powerful because it builds your long-term and back-end sales. The marginal net worth of such customers can be very large. You must contact your customer after that customer has made an initial contact, and have a program set up to reinforce that buying decision. Thank the customer and give him/her an opportunity to bump to a larger sale (if it's appropriate). Also tell the customer in the letter that because you're concerned about him/her, because you care more than to just make a profit and leave, not to be surprised from time to time if you write to inform or alert him/her to find out about things.

You may have figured the number of times a customer will repurchase from you on their own. But have you considered how the value of a customer increases if you actively solicit them again and again? The key to determining what a customer is ultimately worth to you is the extent of your back-end, or ancillary, sales to them.

Step one is to upsell or resell right at, or immediately after, the initial sale, preferably at the point of purchase. Then, if you can get them to add another item or service that is synergistic to the one they're buying, you can dramatically improve the profit. Experiment with add-on products or services. Offer a package of related items for a 40% discount if they buy it now.

Contact or visit a customer right after the sale to see how they like their purchase, and offer them a deal on a related product or service. One out of every three customers may take you up on it. Upgrade the sale by cutting $100 off, for example, a superior version of what they are buying, if they upgrade now.

Secure the rights to high-profit or repeat-type products or services that are logically suited to your new customers, then follow up with calls, visits or mailings to sell those other products.

For example, if you sell real estate, all you get is your share of the commission, nothing more. But, you can set up a relationship with a quality furniture company that allows you to offer your buyer a discount, with 20% of the profits going to you. Then set up a deal with a remodeler for 20%...or a carpenter...or a gardener...or a pool cleaner...or a landscaper -- there are a number of possibilities. If you sell something else to 50% of your real estate customers -- you could add thousands of dollars in profit to every sale.

Once you know how much extra income you can earn on the "back-end," you can dramatically expand or increase the amount of money you spend advertising houses for sale. You can justify spending a lot more time and money cultivating your customers -- since they're no longer worth just "X" dollars, but rather they're worth "X" + "Y" dollars.

If you don't want to push other people's products or services, you can turn over your leads or prospects to other companies whose products or services are compatible, and take a flat fee per lead or a percentage, albeit less than if you did it yourself. This quickly increases the marginal net worth of a one-time-only customer. If a customer is worth only $20 more, that's $20 more you can afford to spend to get other customers, which can build a pyramid of profit with an expanding customer base.

PERPETUAL RESELLING AND CROSS-SELLING
If you have a consumable, repeat-sale product or service, set up a regular monthly, quarterly, semiannual, or annual contact strategy, based on testing.

Let's say you have a product or service your customers should replace two to six times a year. You can send out a letter every month or quarter in which you acknowledge their importance as a preferred or valued customer. Tell them a bit about what is going on in their industry or in your business, and make them a preferential offer -- a better price, or a special combination package not available to new customers.

Be the first to approach them about new products or merchandise you are willing to reserve for them, if they'll call you, come in, or send back the card. By "working" that customer and repeatedly communicating with him/her, you can stimulate more reorders.

How many more? Every situation is different, and you must test various approaches to find the ones that produce best, but by regularly working your customers, you can usually pull from 20% to 300% additional business. People are silently begging to be acknowledged, informed, given advance opportunities and led to action."This last sentence is worth memorizing. Read it again several times."

"It doesn't matter what business you're in, this concept works equally well anywhere. If you're in retail, a letter is great. If you have a handful of expensive clients, give them a call. You can use a mail-gram or a mock mail-gram, a cassette tape, a card, or a gift bearing an offer. The point is, follow up and test new versions against your control approach.

HAVING THE RIGHT STUFF

If you are to utilize any or all of these concepts, you must now cultivate one vital ingredient -- the marketer's unorthodox perspective. This is literally a new way to think, which allows you to see, identify and ethically exploit all the available marketing and redeployment opportunities -- everything no one else thinks of."Try to apply the examples Jay gives to your business." "This requires a tremendously open mind that looks far beyond the initial transaction and sees the dormant possibilities of reworking, cross-selling, and following up activities. You must be willing to experiment and look at your business and its related activities in unorthodox ways. Slant your perspective diagonally, and then look at it vertically, rethink it sideways, etc.

Impetuousness, conjecture or bullheadedness must never be a substitute for conservative testing and experimentation!

It is stupid to decide (in advance) what the marketplace wants. Powerful advice. You must put those questions to the court of last resort -- your market (the buyers whose votes not only count but can made you richer)!

From now on, when you want to know whether an idea will work, or how much profit a concept might add or subtract, you must quickly, efficiently, conservatively and inexpensively test that concept to a segment of your market."

Basically, in these last paragraphs Jay is mixing two different strategies. The most important of the two is that you can dramatically improve your mainstream business by going after your customers for more orders (Reselling). You can also get
different kinds of business (cross-selling). The latter is what is typically meant by the term, "back-end."

"The back-end (all repeat sales and ancillary sales) is where the big money is (or can be). It's one of the keys to successful marketing. Once a person buys from you, it's much easier to get him/her to buy again and again. It's less expensive, too, because you don't have to spend as much money on advertising as you do on the front-end. You can resell, upsell, and cross-sell all your customers. Reselling is simply selling them the same thing they bought before. Upselling is getting them to buy a better, more expensive, or more sophisticated product. Cross-selling is getting them to buy something else that's related to the original product.

What are you selling on the back-end right now? What could you be selling? How does this impact the Lifetime Value of your average customer?"

Jay wants you to be able to compute the profits one customer brings you so that you spend just the right amount of money on marketing.

"The most profitable thing you'll ever do for your business is to understand and ethically exploit the marginal net worth of a customer?

What is the current marginal net worth of one of your customers or prospects? It's the total aggregate profit of an average customer over the lifetime of his/her patronage -- including all residual sales -- less all advertising, marketing, and fulfillment expense.

Let's say that the average new customer brings you an average profit of $75 on the first sale. He/She repurchases three more times a year, with an average reorder amount of $300, and on each $300 reorder you make $150 gross profit. Now, with the average patronage life lasting two years, every new customer is worth $975.

I arrived at the $975 by adding the $75 initial profit, to the three additional purchases per year (at $150 profit per purchase) times the two years they remain a customer.

Once you know precisely how to quantify the marginal net worth of a customer, then you must work with the data.

If a customer will be worth $975, and it costs you $30 to land him, then every $30 you spend is worth $975. You would be foolish not to increase your ad budget to produce more $30-cost customers.

You could, theoretically, afford to spend up to $975 to bring in a customer and still break even!"

In other words, this is a method to plot what you can afford to spend to get a customer. It's a little obtuse and sometimes hard to calculate, but it's a well thought out scheme and a prudent calculation for you to make.

"If you have modest capital, you could still easily justify spending 100% of the profits to get the first sale -- since every $75 (first sale's average profit) you spend to acquire a customer means $900 in the bank in the next 24 months. If you double the number of new customers, you double the next two years' profits.

Spend everything you can justify to bring in a customer as long as the customer costs
you less than he/she earns you. If you feel you can't afford to spend more than the entire initial sale profit to get a customer, just remember that you’ll be making money on him/her in a few months. Start out spending only what your cash-flow can justify, but after a quarter or two of reorder profits, step up the ad budget.

Using Marginal Net Worth has one other advantage -- most of your competitors have no idea what a customer is worth. If their marketing budget is a percentage of sales, then during a recession they might cut their budget. If you continue advertising and marketing at your current level you’ll get their customers.

CALCULATING FROM SCRATCH

This is somewhat redundant and you may want to come back to this when you’ve got time and are actually going to do the calculations for your business.

"If you haven’t calculated your customer’s marginal net worth yet, here’s how to do it:

1. Compute your average sale and your profit per sale.

2. Compute how much additional profit a customer is worth to you by determining how many times he/she comes back. Be conservative.

3. Compute precisely what a customer costs by dividing the marketing budget by the number of customers it produces.

4. Compute the cost of a prospect the same way.

5. Compute how many sales you get for so many prospects (the percentage of prospects who become customers).

6. Compute the marginal net worth of a customer by subtracting the cost to produce (or convert) him/her from the profit you expect to earn from him/her over the lifetime of his/her patronage.

I ultimately want you to spend less per customer on acquisition cost -- so why am I trying to get you to spend more? Because this is the most lucrative short-term way to get more new customers. After a while, you can start slashing your cost per acquisition.

Everyone wants as many new customers as they can get, but almost no one quantifies precisely what a customer ultimately is worth and how much they can spend to get one and be profitable."

Here’s an interview Jay did with a man in the vitamin business. This interview illustrates the kinds of things Jay recommends you begin with your customers. See if you can fashion a few of these ideas for your business or the one you are planning.

"Jay: Tell me a little bit about the company, what you do, how you currently operate, where is your distribution, what is the size?

Richard: We basically distribute vitamins by mail directly to the consumer.

Jay: What devices do you employ to get your distribution?"
Richard: We advertise mainly in regional and national health magazines.

Jay: So when you get a customer, do you immediately start mailing to them regularly or not?

Richard: When we get a customer we don't start mailing to them, we send them all the information that's in the mailing piece and we do not contact them after that. Either he buys or he doesn't buy. If he buys, chances are he's going to stay a customer.

Jay: Can I conceptually slap your wrists?

Richard: Of course you can.

Jay: It's hard to penetrate the retail market, you've got to lay siege to customers, and when somebody comes in your door you want to do cartwheels...you want to do everything in your ability, to keep those people and not sit with an attitude of, "Well, if you come back we've got you for life." People are inherently lazy, they're inertia-prone. You want to make it as easy as possible for them to engage in a perpetual purchasing relationship with you. How many customers do you think you have?

Richard: Honestly, I couldn't tell you.

Jay: Are you set up to work the mail order as a profit center?

Richard: If you mean do we have everybody on the computer, we don't.

Jay: Do you have a computer you could put them on?

Richard: Well, not at the moment.

Jay: How much money does the mail order division represent on a monthly basis to you right now?

Richard: About $25,000."

Jay's mind takes off here.

"Jay: You probably are letting at least that amount again go every month by not working your customers with ongoing continuity mailings, proposals, offers, regular quarterly mailing, information, a very specific type of information, setting them up on a plan, a regimen, suggesting a buying pattern and... How many products in the line?

Richard: Several dozen.

Jay: I can safely say you're at very rock minimum allowing $350,000 or $400,000 dollars to go unharvested. It's absolutely imperative that you buy or lease an IBM PC or a Macintosh and dedicate it to mail order operation. Have somebody enter the names and have a regular sequential procedure where at certain times in the progression of the life of a customer another follow-up letter goes out to them. Do you understand what I'm saying?

Richard: Yes, basically, yes.
Jay: What about direct mail--do you rent lists and mail them?

Richard: No.

Jay: What is the average order dollar-wise? Do you know what it would be roughly?

Richard: A direct mail order can range anywhere from $12 to $250.

Jay: It would probably average $25, wouldn't it?

Richard: It may be a little bit more.

Jay: And on a $25 or $30 sale what do you make in profit?

Richard: So far this business isn't making any profit.

Jay: It's losing money?

Richard: It hasn't been making any.

Jay: Why?

Richard: Because I'm spending so much money in advertising that with the advertising outlays, the mailing outlays, it just hasn't been making money.

Jay: If you just added a little bit of follow-up to what you're doing, you'll probably add $300,000 in gross sales which is $100,000 worth of profit just by following up. It's not prudent to wait for them to order back from you. If you invest in a series of follow-up letters and you developed a personality for yourself and you became the spokesman explaining and teaching them about vitamins and the extra effort you go to in making yours.

One of Jay's concepts is to become a personality to your clients by always having your name in front of them. In other words, they shouldn't be doing business with Acme Tire company, they should be doing business with President Joe G. Jones and Acme Tire Company.

"When they order again, you go right back and work them with an acknowledging letter, maybe external to the package, and different material in the package, and sequential mailings at every quarter or every month. Try to induce them to buy it, try different offers.

There's a technique some people use where they get people to give them their charge card number and they sign what I call a TFN, ('til further notice,) automatic charge document where they let you every 30, 60, 45 days automatically send them out another supply of the stuff and bill it to their credit card. And if you could see what that'll do to your cash flow--it's enormous.

It sounds to me like you're probably sitting on more of a gold mine than you realize and you might see it if you just understand how to step back and organize your assets. Do you have any idea how many past customers you've had by mail? Do you have thousands, hundreds?
Richard: Probably a few thousand.

Jay: I think what you ought to do is try ads designed to pay their own way and bring back a profit. Take the names you're sitting on and put them on computer and work up ad packages that go in with the first vitamin shipments people buy which position and orient them towards what you want to do and then set up a regular follow-up mailing."

**Besides his retail vitamin business, Richard also distributed vitamins to a few hundred health stores.**

"You'll find that there are something like 2 or 3 or 4 million rentable names of people who subscribe to Prevention Magazine and have bought vitamins and other health-related products by mail all over the country. You could split them up geographically by regional designation, and then send a mailing piece to health food stores and particularly mini-chains and stores in geographically designated areas, and say, "We're going to do a mailing to all the health food enthusiasts in your area whether it's with or without your support. Quite frankly, Mr. Health Food Store Operator, what we'd like to do is have your support because instead of having the orders come directly to us, we will reference your store in the mailing piece. We'll tell them they can buy it by mail from us but we'd just as soon see them go to your health food store. In order to do that, you've got to agree to buy at least 300 bottles," or something like that. Enough to justify the cost of mailing a thousand or five thousand letters. If you do that, and make the right pitch, I'll bet what you'd get is 300 or 400 health food stores to take on a gross of the product or two gross of the product.

Richard: Well, it's a possibility.

Jay: All you have to do, Richard, is try it. You try it in a small controlled environment. You should establish a monthly budget. Whether you're making a profit or not, it should be a percentage of the previous month's or the previous quarter's sales, and it should be spent to bring in new customers, to nurture and perpetuate existing customers.

You're sitting there with lots of assets that could be turned into profit. If you look at them in a different light you could see that by not expecting the retail customer or the mail-order customers to call you, but by guiding them and telling them what to do and reformatting the package you put in with the first shipment of the vitamins and subsequent ones, by sending mailings out to them on a regular basis telling them and educating them about your vitamins and about usages of them, and making specific offers about what they should buy from you on a regular basis, you'll generate gobs of business.

Jay: Let me conclude. I think it's critically important--vitally, urgently, important--that you get all your customers on computer. And get a program that will let you keep managing your customers and I think you should immediately get 100 to 500 new customers a month. You should immediately sit down and draft a cover letter that goes with all the material you use that positions, postures, and directs the people as to what it is you want them to do."

**Here's the same advice in a nutshell.**

"Your best prospects are your existing customers. If you've been putting all your marketing efforts into acquiring new customers, stop and divert some of your resources into reselling, upselling, and cross-selling to those same customers. In every way
possible--through package inserts, regular mailings, special offers--stay in touch with those customers and get them used to buying from you.

If this is too much to handle by yourself, hire someone with a marketing orientation to do the follow-up for you. Proper follow-up can transform a marginal business into a spectacular success."

Yes, it sounds obvious but so few people do what Jay suggests that it's apparently far easier to grasp his concept than to employ it. Most existing businesses are neglecting this idea and it is this single strategy that can immediately bear fruit. This idea alone can and will make you far more money than you could ever spend on all the expensive Jay Abraham marketing courses ever sold.

A new business should start out with this program in place. A few years ago my wife started up a service business for women. She followed my advice and put all her customers and customer prospects on her computer. Then every other month she sent either a post card or a letter offering a special price that encouraged them to return for another round of services. Within a few years her business flourished.

My own business has had many ups and downs over the years. Only one thing has enabled me to stay afloat. Our old customers have saved us. Time and again we would mail or call our old customers and a few of them would always reorder. In fact, our largest order last year came from a customer who had not done business with us in fourteen years.

We keep our list divided into customer and prospect categories. Current customers have purchased in the last 2 years. New prospects are those added to our list in the past 12 months. We mail the current customers every month. We mail the recent old customers and the new prospects six times a year. When we get a hot offer that really works, we mail it to the entire list.

We track the responses closely so that we know when a mailing to our in-house list is working. Keeping a handle on how your lists work is crucially important.

"Overlooked opportunities almost always exist in any business, but more so in retail businesses. Why? Because more retailers don't know or understand the real leverage they possess. For example, 99 out of 100 retail stores rarely, if ever, capture (by this I mean retain and record) information about their customers.

Retailers should try to capture each customer's name and address, the dollar amount of past purchases, the number of past purchases, specific products or services the customer bought or is interested in buying, total dollars spent, specific interests of the customer, where the customer lives, etc." But there is no point in keeping information that doesn't help your marketing.

"If you're one of those business people who doesn't capture customer information, don't feel bad -- you're not alone. And the first step toward overcoming this mistake is to recognize it. Keep this in mind: If you have your customer information detailed and segmented (by segmented I mean segregated in different listings), it can make you a lot of money.

You can send direct mail to your customers (people who you know are interested in your products & services) rather than waste your money running expensive ads that reach a
lot of people who may not be interested in what you have to offer." More great advice.

"You can send out personalized, direct-mail promotional letters, instead of wasting your
time and money mailing to a general resident list. A general resident list is an ineffective,
untargeted, shot-in-the-dark waste -- yet that's the main promotional thrust most naive
business people opt for. By sending out a special, "preferred-customer" mailing to people
who are familiar with your business, you can be sure that you're reaching people who are
interested in what you have to offer.

In your promotional letters to your customers, you can offer goods and services that are
not stocked, "preselling" all kinds of merchandise before you invest a single dollar. You
can take deposits from customers, or they can prepay the full price." All these ideas
won't work for you, but some will and they are pure genius.

"You can also use direct mail to get rid of all sorts of overstocked, slow-moving, damaged,
or undesirable goods, and convert that stale inventory into cash.

And, if you know a lot about each customer, you can get specific letters to specific
segments of your customer base, offering them the precise type, kind, or subject matter
of products or services you know the customer is most interested in. Let's say, for
example, you have a shoe store, and you know that 100 of your 1,000 customers are
women who buy an average of two pairs of shoes each time they come in, and they always
buy the hottest, most fashionable shoes you sell. You could write a simple letter,
exclusively to these 100 women, offering them either the newest shoes that have arrived,
or offering them a chance to prepurchase some exotic shoes before they even get to your
store. Chances are, if your letter is crafted correctly (and I'm providing a compendium
of proven sample letters) your letter could sell as many as 33 or 50 of these 100 women
a pair or two of shoes. And if the average woman purchases two pairs of $50 shoes every
time you mail to them, you'd add $3,300 in additional sales to your business every time
you mailed out 100 letters -- and conceivably a lot more if 50 people bought instead of
33.

But let's just say a mere 33 women buy two pairs of shoes once a month from a simple
letter you send out. That $3,300 in added sales only cost you $50 to produce (that's
what it cost to mail print and mail the letter), yet it yields over $1,500 in pure profit. And
if you, like many retailers, triple your markup, it may even yield as much as $2,500 in
profit.

Just for risking a "whopping" $50 on a letter, you could make $1,500 to $2,500-plus --
extra profit -- from mailing one letter to one segment of your customer list. And most
customer lists can be segmented (or broken down) into at least four or five different
categories -- each of which can receive a singular type of mailing at least once every
month or two.

I won't take up important space in this report by listing all the math on a typical
business, but it's not at all uncommon for a business to have 1,000 to 10,000 customers
they've never mailed to before, or have mailed to very infrequently, or mailed a boring
approach that didn't work.

By the way, you don't have to be a huge retailer for my concepts to work. The previous
example is for a small to medium-size local merchant...not some huge chain. Local shoe
stores, clothing stores, health-food stores, landscape or nursery shops are perfect hosts
for this type of promotion."
Jay's ideas on this subject just keep on flowing.

Here's more of Jay's ideas on how to take advantage of the opportunity that exists with current customers:

"Say that you have a business (any type of business) that sells a lot of people the same thing.

For illustrative purposes, let's say you're a widget store. Of the 100 people who buy merchandise from your store in a given week, the average purchase is about $100. What would happen if you gave your cashiers and salespeople a simple phrase they could say right at the point of purchase -- right when the person is ready to pay for the merchandise and is most excited about it -- that would persuade one out of every two customers to add an extra 20% to their sale?

If you could successfully induce half of your customers to add $20 more to their purchase each time they buy something from you -- you've just added $10 or more extra profit per sale.

Remember that your business sells to 100 people a week. By using a simple little phrase, you could instantly add $500 in profit to your cash flow or bank account every week. Multiply that by 4.3 weeks in a month, and you've just produced $2,150 in found profit that you never would have had before. Do this every month for a year, and you'll have added $25,800 in pure profit, just like that!

But before you say 'O.K., Jay, what is that magic phrase I get the salespeople or cashier to utter?' Let me tell you -- all you have to do to add 40% to 150% more profit to every sale your business makes is to ask each customer, as they're finalizing their purchase, if they'd like to take advantage of an unpublicized, 'in-store' special offer, only available to customers buying a minimum of $X worth of merchandise today.

All you have to do is put together an appealing 'package' of merchandise or services (or both) to be offered at the point of purchase. This package must be perceived by the customer to be extremely expensive and desirable -- but in reality, the cost is very low. Let me give you a few examples:

If your business is a hardware store, and the cashier offers a complete $50 tool set for just $31, which actually costs you only $15 (and one out of every two customers bought the special 'bump') -- you'd add $16 profit to every other sale -- $8 extra profit for every customer who walks through your door. Say that 100 customers come into your store each day and you added $8 profit per customer -- that means you'd be adding $800 a day in absolute pure profit to your bank account. Multiply that by six days, that's $4,800 a week, times 4.3 weeks, which comes to $28,640 per month!"

He's a whiz at math.

"If your business is a video store, and you offer customers two extra rentals for just $2 when they rent any three movies at $3 each, you'd add probably a pure $1 profit per rental per day. And many of the rental companies rent out hundreds to thousands of tapes a day."

What a way for video stores to rent the old movies in their store that seldom go out.
"If you have a restaurant and you offer your customers free dessert and coffee if their check is $10 or more, how many people might order a more expensive meal? You'd be surprised!

A word of clarification or explanation is in order now.

You're undoubtedly saying that this is too simple. These ideas are too obvious, everybody does that (but everybody doesn't do it!) People are surprisingly conservative -- they're myopic -- they suffer from tunnel vision and don't know how to experiment, test, and try different unfamiliar things. Not one in 20 businesses incorporates any of the techniques I've just outlined. Stated differently, that means you have an advantage over 95 out of 100 businesses.

Another method you can use to boost your profits is telemarketing. What would happen, for example, if somebody from a company you're familiar with, whom you liked and trusted and had a good relationship with, called you up and offered you a proposition on either a product or service, or a package (a combination of products or services) that was only being made available to an exclusive group of customers, and not normally available, or an item that was not normally stocked, but that the store could manage to get if you were really interested in it? Chances are, if it were something you were excited about, you'd probably agree to purchase it.

So try telemarketing to your customers. Educate them about the products and services you have over the phone. Put a special package together and call your preferred customers. Offer your customers a product or service that you don't normally carry.

Telemarketing can also be used to strengthen your mailing efforts. Have your sales staff divide up your customers by those they have the best rapport with, or randomly, and follow up via the telephone. (A client of mine made an extra million dollars a few years back when he first started using telephone follow-up to intensify and enhance the results of his mailings)."

Our upcoming chapter on telemarketing gives you the essentials of how to set up and run a telemarketing company. Let's summarize Jay's advice:

"Once you've developed a customer, you have the most cost-effective, direct access to the single best source of future business there is.

All you have to do is intelligently work that list, and rework it over and over again. By intelligently, I mean logically.

First, contact the customer by letter, phone, or in person, acknowledge his or her importance, and then make a powerful and compelling case as to the 'reason why' (this is critically important) the customer should be interested in taking advantage of the product or service you're now offering. Make certain you can actually proffer a reason why (or multiple reasons why), then lead the customer to action. Tell him or her why to buy, how to buy, what to do, and why they should do it now.

If you can't answer compellingly and simply all these points -- you must concentrate your focus on these critical issues (and if necessary get your staff, vendors or industry trade groups to help you) until you can smoothly, concertedy, powerfully, and intimately express them in a manner people will respect, believe and (most importantly) respond to!
Leverage off of the reasons that your customers previously purchased from you, and repeat the essence of those reasons once more.

Most business people don’t work their past customers at all. And those who do work their past customers, produce only a fraction of the potential they’re capable of producing.

Satisfied customers like to be, want to be and are already favorably predisposed toward working with you or doing business with you. They are simply silently begging to be led. By that, I mean they want to repurchase -- ironically, they really do. But it’s up to you to expend the effort, the energy and the necessary overture to lead the customer back. There’s an infinite number of ways this can be accomplished. For example:

Offer your customers one time, preferential pricing to induce them to do business with you again.

Here’s a sample sales letter that a service business could use:

Frankly, now is not the best time to carefully read these letters. Skip them for now and read them the day you sit down to write your first marketing letter to your clients. You can tailor these letters for your own use. They are guides to what you will want to mail out in your business.

"Mr. John H. Customer
1209 Arlington Avenue
Milton, Iowa 00000

Dear Mr. Customer,

I've been thinking about you a great deal, and I've decided to do something a little bold but perhaps very much appreciated by you, once you understand the method behind it.

Simply put, I've just started an automatic, ongoing, subscription-based service that I'm inviting my better customers to take advantage of, whereby we automatically render to you on a pre-established, appropriate intervals our cleaning service (or our tree-trimming service or auto detailing service or rug shampooing service).

Our technicians(or lawn care specialists or auto mechanic experts) will come to you, determine through consultation with you exactly the level of continuing service you require, and at the same time every month (or week or three months) automatically perform that service for you.

We'll keep your home (or yard or car) at the level of perfection you want and expect, automatically, without you having to worry about contacting us.

In addition to scheduling our service at the intervals appropriate for you, when you sign up for this service, you'll also get, free-of-charge, our interim catastrophe insurance. In other words, if something happens to your carpet we will come out and spot clean or repair it at no charge (or if something happens to your car and the wax job on it wears off between detailings, we'll come out on the spot and improve it at no charge).

What's all this cost? A lot less than you might imagine, and certainly a lot less per visit than it would if you engaged our services one time only.
Why is it such a savings? The answer is very logical, actually. I have employees on my payroll whom I have to pay whether they work or not, and for some inexplicable reason, everyone wants to avail themselves of my services on Mondays and Fridays. Nobody seems to need our services on Tuesdays, Wednesdays, and Thursdays, but I have to keep my employees on the payroll just the same. I have workers sitting on their thumbs during the middle of the week, with me paying them $15 and $20 an hour to do nothing. It's to my advantage from a utilization standpoint to bring in revenue -- even if it's not maximum revenue -- on the off-days.

If you will allow me to schedule these services at times that are more convenient to us but fairly appropriate for you, I'd be delighted to pass on the savings. By the way, when you agree to allow me to set you up on this ongoing subscription service, you're never obligated to continue.

At any time, if the service is no longer appropriate, or our performance is no longer satisfactory, or you have any problem of dissatisfaction, you can cancel on the spot. Moreover, if ever our service doesn't measure up to the discriminating standards you expect, all you have to do is call me personally and I'll either re-perform the service or refund your money, whichever you prefer.

Knowing how important a clean carpet (or a clean car or well-manicured shrubbery) is to you, this service will be particularly appreciated. I think you'll also love the annualized savings -- both in time and money.

Unless I hear otherwise from you, I'll be contacting you in the next two or three days just to set up the schedule and work out your requirements. Or, if you would rather not have me phone you, simply send back the enclosed reply card with your specifications.

Sincerely,

Jack Mayhill
Mayhill's North City Cleaning Service

Notify your customers of sales or specials ahead of the general public.

Your offer must be so compelling that they prioritize your product or service. You have to convince them that your product or service can help them, and your offer must support this by making it unusually easy or affordable for them to conduct business with you.

Here's a letter a luxury car dealer might write to his top-end customers:

I'm Writing to Alert You to an Opportunity
I Think You'll Want to Know About

Dear Mr. Customer,

As somebody who is really interested in exotic automobiles, I thought you would like to know about the special AMG Mercedes 560SEL that just came out of Germany.

In case you're unaware of it, the 560SEL is probably the Cadillac of Mercedes. No pun intended. It's basically the most exotic, well-appointed, powerful, streamlined,
Intimidating, formidable version of the Mercedes that has ever been created. It's got a special contour back, special high-performance additive, and decorative components that distinguish it above and beyond every other Mercedes in the area.

But it's got a disarmingly handsome understatement about it that makes it stand out when it's driving down the street, heading down the highway, or parked impressively in front of an elegant restaurant. We've only got three of these in stock right now: One in dramatic black, the others in midnight blue and knockout red.

I'm writing to you not knowing if this is too rich or too powerful for your interest. But I would feel terrible if I didn't alert you to the fact that we have these in stock and are going to make them available to the rest of the marketplace in about three weeks. When the ads break, we fully expect to sell all of them in a matter of weeks.

I'm writing you for three reasons. One, I know you love Mercedes. Two, I know you own a 320, and it's a beauty. Three, I would like to have your car on my used car lot, and I am willing to offer you an extraordinarily generous trade-in allowance and in the process, offer you the 560SEL at $7,000 less than we are going to advertise it for in the newspaper three weeks from Sunday.

If you would be interested in driving this car, call me tonight or tomorrow morning. If it's not too late, I'll have the car ferried to your office or your home to drive for the next three hours, with my compliments. If it doesn't take your breath away, both in performance and beauty, send it back. If it does take your breath away, we'll take your Mercedes and process the paperwork for you.

Sincerely,

Ronald Fischer
North Hill Mercedes-Benz

Offer better customers a limited number or exclusive availability first.

Here is an example of how to alert customers to a limited-availability item...

I've Got to Get This Off My Chest Before I Explode!

Dear Mr. Phelps,

I'm writing to alert you to an opportunity that I think is very appealing (or very significant or applies to you, etc.) Each year, Acme Widget Manufacturing gets in a jam and they overproduce certain hi-performance widget models. Then they've got to figure out what to do with them.

Because my firm is the largest distributor of Acme Widgets, Acme usually calls me. Last time they had 35 extra of these performance widgets, they called us and we contacted our preferred customers. We sold every one of them within 48 hours. In fact, we actually oversold by 25 which we could have fulfilled on if we had had product. Acme just contacted me ten minutes ago to tell me they have 64 Model12W3 Bi-Turbo Widgets that they've discontinued. They asked if I wanted them and I said yes.

I have 500 customers. I'm sending this letter only to my preferred customers -- those I
think would most appreciate these widgets and to whom I would like to pass on the most value.

These are the very same widgets you’d pay $878 for. They carry the same 240-day ‘no questions-asked’ guarantee. They are the same except for the fact that Acme has decided to no longer manufacture them and they’re no longer on the market. If you’d bought them from any dealer (including us) last year, you would have paid $800 to $1,200.

Because we pay cash and because Acme knows we won’t indiscriminately promote them in the marketplace, we were able to buy their last remaining inventory of Bi-Turbo Widgets at such an advantageous price, we can pass the savings on to you. We can sell that same $1,200 Widget for $419, and if you have any reticence about it being appropriate for you, you can use it for 30 days at our risk. If it’s not absolutely a wonderfully performing Widget, you can send it back to me because I’m quite sure I’ll have 25 others waiting on a stand-by list for it.

Nevertheless, we’ve got these 64 Widgets available -- they’ll be in our warehouse in seven days. I’m sending this letter out to only a handful of preferred customers who I really want to do a service for. You’re one of them. If you’re interested, please call me personally -- or call my assistant, Mary Smith, within the next two days, because frankly, there aren’t going to be that many left. I hope you’re able to take advantage of it.

Jim McNamara
McNamara’s Performance Widgets

Educate your customers and explain complex products/services to them so they can appreciate the benefits your product/service offers them.

When selling a high-ticket or luxury item, you must carefully acknowledge the issue of price, but quickly counter with the offer you have in mind. You cannot avoid the price: It will be a concern for 99% of your customers. However, you can turn the price issue into your advantage by selling the features and quality, and underscoring the tremendous value they will be receiving.

Here’s some sample copy a custom furniture dealer might use...

The Patterns of the XYZ Custom-Designed Oriental Rugs
Are Carefully Selected to Ensure that Each Rug
Is Its Own Unique Work of Art

The fabric is handmade by craftsmen in a family-owned mill where they still weave fabrics the way they did 100 years ago. Each yard of fabric contains ___ feet of silk and other natural-fiber threads, and patterns are intricately worked into the fabric with artistic precision -- one strand at a time. Embossing is meticulously supervised by the same ruthless perfectionist who oversaw the creation of the magnificent rug that graces the floor of ________.

This factory produces only 4,500 yards of handwoven, hand-embroidered, hand-inspected, quadruple-lined fabric each year -- only enough material to make ___ rugs in an entire year. We have secured the entire production of the factory for the month of May, and we are accepting inquiries regarding our custom-designed rugs. But please, don’t ever call us unless you can wait patiently for three months, can afford the best, and
can appreciate a genuine, one-of-a-kind work of historic art.

I could literally go on and on about working your current and past customers. But remember this:

It may have cost you $100 or $1,000 initially to 'buy' or acquire a new customer. That's taking the cost of running ads or commercials or sales efforts and dividing it into the number of ultimate sales resulting. However, the cost of **reselling** an existing customer once you've acquired them is negligible.

It costs $100 or $1,000 to generate a customer...but only 60 or 70 cents to mail them a powerful and personal letter once you've captured their business.

It only costs a few dollars to call that customer on the phone. And perhaps $15 or $20 to visit them in person. All this is far less than you'd have to spend on the outside market to bring in a new customer.

So first, and foremost, work your existing and inactive customers hard and often. It's easy, inexpensive, immediate, and the return will out-produce any other option you have available."

**Before you begin marketing these new programs to your customers you may want to briefly take another look at your customers and their needs.**

"Ninety percent of the businesses I look at never precisely determine the needs, desires, or requirements of the people to whom they are trying to sell.

How can you expect to adequately fill someone's needs if you never take the time to understand them? It's laughable! Yet few companies seek to meet their customers' needs. Those companies that do understand their customers' needs, and attempt to satisfy those needs, seem to end up with all the business. You can end up with all the business too, if you'll take the time to learn what your customers need and want. Let's probe the problem a little.

To induce someone to favor you with their business, you normally have to offer them some need-filling advantage. Let's review just a few of the possible needs people want filled...

They want products that offer convenience or better quality. They want things that last longer, save time, look better, perform more functions, are state-of-the-art, save money, make life less difficult by saving effort, generate more money, or make their owners more effective.

What do your customers want or need most in the product or service you offer? Do they want the convenience of knowing they can go down the block and get it from you, or the knowledge that your firm stocks or offers more items, or sizes, or products than any other company? Do they want the top-of-the-line product or service? Or, do they want highly personalized service, attention, advice, and instruction?

Perhaps they merely want to acquire the kind of goods or services you sell at the lowest possible price. Or maybe price alone isn't what they're after -- maybe they want the best guarantee or the best service to support the sale.
I don’t know which need, or which combination of needs, your potential customer seeks but that customer does seek fulfillment of some singular need or combination of needs, and sometimes he or she doesn’t even fully realize it. But once you find and fill that need, you’ll own your business niche.

If you don’t know what needs your customer most wants you to fill, start by recognizing that no one can be all things to all people. You’ll dilute your image as a need-filler if you try to do that. So, first determine which needs you can fill, consistent with who you are, what your business is, and how you operate.

Then talk to clients, prospects, and customers, and have your salespeople do the same. Experiment with the image you convey in your advertising and promotion. Monitor the consensus and gauge the feedback. Let your customers tell you which specific needs they most want filled, then determine which of those needs you can actually fill.

Then, don’t merely fill those needs silently. Make sure your customers, prospects, salespeople, and your entire marketplace learn that your business listened and that you finally did something to satisfy the needs of your customers. Continuously (tactfully) inform, educate, and outright ‘point out’ that your company is filling those needs for your customers. Change your ads to feature these specific need-filling advantages. Have your field or in-store salespeople point out what you are doing. Send out letters that do the same. Phone your customers and inform them that you’re prepared to fill their needs.

Once you determine precisely what your customers’ needs are and you commit to fulfilling those needs, then do it.

If you decide that service is the critical element, offer the best service, the fastest service, the most skilled service people, the most knowledgeable staff. If top quality is the need you decide to fill, don’t offer mediocre goods! If you claim to be the best-quality business, make darned certain you’re a regular fussbudget about what you sell. If you promise the lowest price, keep that promise. Integrity requires it. If you don’t genuinely fill the needs you purport to fill, your customers will soon abandon you."

Jay also believes that business owners must observe their customers closely to clearly understand their needs.

"Get to know your customers better.

Once I spent the entire day with a client who taught me more than I taught him. I relearned an important lesson I had forgotten. The lesson was to get back in touch with the real, live pulse of your marketplace.

I mean actually go onto the selling floor and handle two or three dozen sales transactions once a week to better comprehend what the customers’ interests really are and what turns them on.

You should take customer service calls once a day and re-read all the indicative customer complaints that are received.

I’m finding that business-people tend to be more inclined to not care about the market, but rather attempt to tell their market what they should want."
The tendency not to become intimately familiar with the desires and problems of your marketplace is suicidal.

Not only should you try to sell, work the complaints, and read all the mail your firm receives, you should go out on service calls and talk to a dozen or so of old customers to see why they are or are not buying from you now.

I've always advocated shopping your competition. People respond to ever-changing stimuli and unless you keep a close watch on your marketplace's vital signs, your business can die on you very quickly.

Pivotal changes occur in the attitudes of consumers. They become risk averse, commitment averse, change averse, and action averse, and if you fail to acknowledge this change in motivation, your market could evaporate.

On the other hand, if you start monitoring your sales, actually start calling and chatting with past and present customers, and shop both your company as well as your competitor's, you'll gain an advantage.
Jay Abraham strongly advocates that a business extend itself far beyond the normal advertising methods used by most firms. Too many companies use conventional ads on a hit or miss basis that draw poorly. Bad results discourage them from continuing to market and promote themselves. This can kill any hope of success.

"You MUST MARKET. And you must market more wisely than your competitors. You must make every dollar you spend as efficient and as productive as you can. You must learn and adhere to all the elements of powerful marketing.

The success of your business depends on how well you seek out new marketing approaches and sales avenues."

The cornerstone of your marketing plan (according to Jay) should be to educate your client. You first educate them on your product or service. Let's say you sell home furnaces. All the interesting details regarding the construction and function of your furnace should be included in your advertising and promotional material. Next you should have a booklet or report on how to save on home energy costs which is generic and can be used in a variety of promotions. Finally you could have a report on how to buy or what to look for in an energy efficient house or an even broader book on home construction or home budgeting that only touches on home energy and heating.

In other words, you educate them on your product and your firm; you educate them on the field in general in a way that's useful to them and you broadly educate them on tangentially related subjects which has the effect of endearing you to them.

"One of the saddest marketing mistakes I see is the failure of businesses to educate their customers about the unique advantages offered them. If you've reviewed 100 different manufacturers of the products you sell, let your customers know. It'll impress them that you've screened out products that don't have the quality, endurance, warranty, manufacturing support, service guarantees, or dependability you know they want. Perhaps your guarantee is three times longer, or covers five times more problems than your competitors'. Your customer won't know that unless you tactfully point it out.

When you educate your customers, you'll see your profits soar. Think about yourself: When you buy or consider buying any item or service -- for yourself, your home, your family, as a gift, or for your business -- you often don't know as much as you would like about the item. If you have unanswered questions about a product, you're less likely to shell out the money to buy it.

When a company or salesman takes the time and initiative to objectively educate you on all the products in the field you're considering making a purchase, it gains your trust and favor.

Education is a powerful marketing technique. Educate your prospective buyer about everything (including a few of the bad or less positive aspects of your product or service) and you'll sell to almost twice as many people as you do now.
This one concept -- educating your customers -- will gain you an inordinate advantage over your competitors."

**TAKE YOUR CUSTOMER BY THE HAND**

"Few businesses realize that they must lead the customer to action, in addition to developing a compelling marketing plan.

People need to be explicitly told how to act to obtain your product or service. Therefore -- and this is incredibly important -- every sales call, letter, commercial, or personal contact should make the case for your product. Give prospects a brief education, then take them by the hand, figuratively speaking, and tell them what specific action to take next.

If you’re selling an impulse item, or if the offer is for a limited time, tell your prospect to get in touch with you immediately. And don’t be abstract. If you deal by phone, tell them to pick up the phone and call a specific number."

**TELL THEM WHY**

"Whenever you make an offer, ask for a sale, run an ad, have a salesperson make a proposition to a customer or prospect, or offer a product or service for sale at a specific price, always tell the reason why.

Why can you sell a product or service at a lower price than your competitor? Is it lower overhead or volume buying? Do you buy odd-lot inventories? Do you not give all the services? Why is your price so good?

If your price is high, tell the customer or prospect why. Do you offer a product far superior than the norm? Is your product made with demonstrably finer materials? Is your product designed to last or perform 2 1/2 times longer than your competitors?

Why is your price high? Is it handmade? Is it made twice as durable, or with three times the personal stitching or handiwork of some machine-made similar product?

If your price or the package is an especially appealing value, tell me (the customer) why you’re making this offer. Is it because I’m going to order from you for the first time, and it’s an exclusive offer to first-time customers? Or, is it because you got a great purchase on all or part of the components in the package, and you want to pass the savings on? Or, is it because you’re overstocked and you want to get your capital out of slower-moving inventory, so you’re willing to sell at a loss.

Please, tell me your reasons why! Why should I patronize you instead of your competitors? Tell me what you are doing that makes favoring your firm better for me. Why can your salespeople handle my purchase better than someone else?

Tell me all the reasons why. The more factual, believable, credible, and plausible reasons you give me for dealing with you, the more compelled I am to favor you with my business.

When I write a mailing piece, I do something most other people don’t do: I let my readers in on a secret. I tell them why I am making the offer and what it’s all about. Then I admit that I don’t know for sure if it’s good for them. So after they order, they have a
choice. If it works, they can keep it. If it doesn’t work, they can send it back.

Most people just say, ‘Buy from me,’ in their ads. If something is expensive, they don’t say why it’s expensive. For example, a product may be constructed with 12 times more material, triple-reinforced and made with the best material available. Educate your public and they’re putty in your hands.

Quite a few years ago, gems were hot; then they died. A large company was stuck with some magnificent stones that they’d paid over a million dollars for. When they tried to sell them, nobody wanted them. They cut the price and still nobody wanted them. This was extremely frustrating. They had all this capital tied up in gems.

As a last ditch effort, they came to me. I turned around and started talking directly to the reader. I said, «These are the facts. We paid over a million dollars for these gems. If we’d sold them back when the market was high, we’d have sold them to you for two million dollars. If you’d bought them from a retail jeweler, you probably would have paid three million dollars. Right now, we can sell them wholesale for $900,000. If you took them to a jeweler, he’d appraise them for three times that amount.»

I built the case a step at a time. Finally I told them, ‘If you’ve ever wanted a gem, you can buy one you would have spent $20,000 on just a year ago for $14,000. This is the steal of a lifetime.’

Then I told them what to do. I told them to pick up the phone. The mailing piece included a list describing the gems. I said, ‘Pick the gem that sounds best to you. Call any jeweler you respect in your city and describe that same gem to him. Ask the jeweler what he or she would charge you to buy it. If it’s not worth two or three times what we’re asking, don’t buy it from us. If it is, buy it on a conditional basis. Take it to the jeweler who gave you the quote and ask for an appraisal. You can send it back if it isn’t superior to what we charged you.’

Educate people to appreciate the value of your products and services. It worked for this company. They sold their entire inventory in three days.

You can’t appreciate value in a vacuum. You can’t appreciate anything until you’re educated about it. Most people forget this when it comes to marketing, and they lose millions of dollars!

I am frequently asked to help a company out of a problem. Often, I bail a company out of an inventory overstock or I stimulate patronage for some service or product that’s just not selling.

How do I do it? What’s my secret? The answer is so basic and simple — and obvious — you’ll laugh. I tell my clients to tell their customers and prospects the truth. For example, if you’ve had 9,000 widgets gathering dust in your warehouse for six months, and you have $90,000 tied up in them, but no one’s asking for widgets, write a letter, or display ad, or TV/radio commercial that tells your customers and prospects that: 1) you have a huge inventory of widgets; 2) the widgets are good for such-and-such; 3) you are interested in selling them retail; and 4) their quality composition/constructive service functions and performance criteria are such-and-such.

Then tell people what other retailers or wholesalers would normally offer these or comparable widgets for, and tell them the price you’re willing to sell a widget or a specific
quantity of widgets for. Then tell the prospects why you're selling the widgets to them so cheaply -- the real reason -- but with a delightful embellishment. For example, tell the prospect the truth -- that you have 9,000 widgets in your warehouse and the real rush is over until next fall, so you'll sell them for your actual cost, or even for cost less 20%. But add to that explanation a parenthetical exclusive qualifier like...

'But we're only offering this value to our best customers as a reward for your patronage.' Or... 'But we're only making this offer to new, first-time customers who buy an equal amount of other products or services.' Or... 'We're only making this offer available to people who buy (some other specific product).'

An important point -- in fact, it's vitally essential -- is that your customers and prospects won't understand or appreciate a value, or a bargain, or a service, or a benefit, unless -- and until -- you first educate them to appreciate it. Merely offering a product or service at a specific price (even the best price) doesn't generate excitement or a response until you tell people what they're getting, what a value it is compared to other products and services, and why you can offer such value.

This applies to any problem.

When your business has a problem (say you've taken money or advances for a product or service) and something goes wrong, precluding you from fully rendering that service, never fail to acknowledge your screw-up. Otherwise that's a sure way to commit integrity suicide. Be up-front and honest. Call, write, or individually approach your customers and apprise them of the problem.

Tell them precisely what you were supposed to do, and tell them why you can't fulfill your obligations. Tell them with certainty when you will be able to perform.

And this is the clincher. Give them some wonderful consideration to compensate them for being put out. Give them a small gift that costs you a lot less than the profit you'll lose if you're forced to return their money. Or, send them a discount coupon, or rebate a portion of their original purchase price. Whatever consideration you offer, tell them why you're doing it, apologize for what went wrong, thank them for their business, and assure them honestly that you can and will rectify the problem -- that everything will be put right by such-and-such a time or method."

Jay's advice on education extends to the point where you concentrate on this function as much as any single aspect of your business. This advice is fabulous and it's easy to do.

MAKE YOURSELF INTO AN EXPERT

"Here's a market niche that's crying to be filled. Reposition your company as the source for industry information -- as the expert in the industry -- and you'll be amazed at the increase in business that results.

First, do some homework. Read everything you can get your hands on to keep abreast of industry trends, developments, and forecasts.

You can have somebody ghostwrite a book or report for you that you disseminate through press releases, trade journals, or have the publication available free to anybody who wants it. It can also be distributed for free and/or sold by people who own bookstores.
Approach bookstores, and offer to allow them to sell your publication and keep all the money for themselves -- just for showcasing the book. If it's a report, you can have people give it out as a bonus or, let them sell it for pure profit. You're getting all the free publicity you could hope for -- and the only costs are your writing and printing expenses.

You could put on seminars throughout your area -- either free or for a low cost. You could team up with other business experts, who have complimentary products or services and who are noncompetitive with you, to organize the seminars. For example, if you're an accountant, you could get together with a financial planner, an attorney, and a management consultant, and do seminars on how entrepreneurs can protect and increase their wealth in the 1990s.

You can buy time on radio stations for half-hour shows. In fact, you can get on radio talk shows at no cost simply by calling them and applying. 'You can become the keynote speaker at all sorts of organizational meetings. You can start hosting regular breakfast and lunch meetings at your facility (or at a restaurant) on the subject that you're expert in. You can publicize yourself and your product.'

This also ties in with Jay's idea to make yourself a personality in your business. If you become widely recognized as an authority (and this takes years) you instill confidence in your customers. This is a form of branding. In other words, it's a powerful method of brand recognition which automatically leads customers to you and your product. One obvious way to do this is to title your company under your name. For example, I like Harry Brown Motors better than Fourth Street Auto. Use your picture in your ads and sales literature. However, when you make yourself a personality, you better follow through with superb service and quality, otherwise, negative word of mouth will rapidly make your name mud.

"Start sending out lots of press releases. You'll get reporters calling you. Start a local, regional, or national telephone information hotline service. You can have a free, informative recording. At the end of the recording, make this proposition: 'If you want more information, call this number and talk to one of our specialists.'

Conversely, you could have a paid hotline that gives advice people perceive as valuable (900 line) that you sell to people. It's inexpensive to run and can be a nice little business."

Every business has untold opportunities to educate. For example, a stock-brokerage firm should educate its prospects about its services, the investments it has available, its financial strength, the number of people it employs in research to help the client, the trading staff, special employees and other interesting and helpful facts. Beyond the standard research reports it should have books and reports that teach and encourage stock and bond investing. They could have a book for large investors entitled, 'How to Manage Your Own Private Mutual Fund,' or a book for small investors on why you should buy Mutual Funds and not try to manage on your own. Beyond that, there are thousands of interesting articles to reprint and books to give away that can be effectively employed as lead generators.

As you probably know, it's a big pain to get a call from a telemarketing trainee trying to clear the road for some stockbroker or a brassy guy asking intimate financial questions in the first thirty seconds of the conversation. But if I ordered their free book, I've got to hold still for it. That's human nature.
Here is an anecdote of how the foregoing examples work. Jay also crosses over into some powerful additional strategies which will be covered more extensively in upcoming chapters. This is Jay at his mile-a-minute best:

"Let's talk about my biggest success of the early 1980s, Investment Rarities, Incorporated. I first met IRI in 1978. I was introduced to them through a previous job I held, selling lead-generating programs to financial service companies. Investment Rarities was a little company that somehow got included on my prospect list.

I remember the first time I came in contact with them via telephone. Their president was cordial, but totally oblivious to anything resembling master marketing strategy.

But almost in spite of themselves, IRI had built a profitable little brokerage business solely off a single referral relationship they enjoyed with a popular financial newsletter publisher.

But when I pressed IRI to find out what they did with a lead once it came in, I was dumbfounded. They mailed to inquiry/referrals a self-serving (not education-rendering) cluster of nonmotivating sales rhetoric -- then they threw the lead away if the prospect didn't immediately buy. They never, ever solicited that person again. At first I was incredulous.

That feeling was quickly replaced by one of opportunism when I realized all I could do with a client like this. Here's the strategy I subsequently mounted for Investment Rarities:

First, I focused their overall corporate orientation toward logical and 'obvious' thinking. I carefully explained to IRI that, if someone was interested enough to call up or write in for more information, they warranted a concerted follow-up effort.

Then I drafted entirely new educational material to send out to inquiries and referrals.

Next, I composed elaborately personal acknowledgement letters to accompany the educational material. A typical letter reminded the inquirer that he had contacted IRI seeking more information on the investment case for gold, silver, and/or rare coins. It then presented an easy-to-comprehend and remarkably compelling primer on the appropriate subjects, and went on to caution prudence and conservatism in any initial investment the prospect might decide to make. Finally, the letter advised the prospect to first talk through his desires, fears, and motivations with a knowledgeable precious metals specialist (I never, ever referred to them as brokers) before jumping in, even if they were not going to favor IRI with their purchase.

This approach won people over in droves.

I followed that up by formulating a long-term strategy for profoundly increasing the marginal net worth of a customer to IRI. I based this strategy on the knowledge that all other precious metals investment companies we were competing with were trying to load people up with all they could sell them, then burning them off never to deal with them again.

I decided to posture IRI as a nurturing, long-term, committed, concerned brokerage house interested first and foremost in seeing the customer profit ahead of itself.
To bring this 'USP' (Unique Selling Proposition) goal within range, I established a new marketing philosophy for the sales staff: Never load up any customer. Rather, if anything, undersell, first putting the new customer into gold before allowing them to even consider silver or rare coins.

The commission on gold was smaller, granted, but by only allowing the customer to get started on gold, we did them a safer, better service and predisposed them toward buying silver next, rare coins next, then adding back to gold holding, etc.

This long-term, patient, ultraprofessional approach won over so many new customers that IRI quickly shot to over $500 million in sales, and enjoyed the highest reorder factor in the industry.

Of course, not all this was attributable to the basic marketing strategy I just explained. A few other 'twists' helped make it possible.

For one, once we got a prospect in, we sent out a series of follow-up, educational (never hard-sell), informational mailings personally sent from IRI's president. Sometimes we'd send out over 200,000 letters a month to customers and prospects.

I designed groups of letters for each category -- customers, silver inquirers, gold prospects, rare coin conversions -- and we progressively kept advancing our customers' and prospects' knowledge and motivation base by sending out still more instructive, educational letters.

We never sent out pure sales rhetoric.

I had Investment Rarities acquire the rights to all sorts of impressive, prestigious, valuable, and 'objective' articles. We generously offered this material FREE on a no-obligation basis to any and all who were interested. Soon, the requests numbered in the hundreds of thousands, and the inquiries converted to customers at better than 7%.

I have never believed in building a company's entire business on only one or two pillars. That makes the structure too precarious. So I broadly expanded IRI's base. I established a referral/endorsement program in which I induced several financial newsletter publishers to regularly endorse Investment Rarities.

Concurrently, I put on extravagant, free seminars and, instead of having some salesperson from IRI be the key speaker, I paid through the nose for well-known economists and best-selling authors that drew attendees by the thousands.

And I devised elaborate follow-up programs that cross-sold, cross-pollinated, upsold, and resold customers, prospects, and suspects.

The persona that we have given Investment Rarities is that we educate before we ever ask anyone to buy. It's a very powerful technique, but it's seldom used because most people can't handle it. We'll buy people reports; we'll buy people manuals; we'll buy people subscriptions to other people's newsletters. We'll give them tickets to expensive seminars. And we'll say, 'Hey, learn about it! After you've learned about it, give us a call. We'll answer any question you've got, we'll be scrupulously open with you. We'll be unhedged; we'll be straightforward; we'll counsel you objectively whether we get your money or not.'
The person who does that distinguishes himself as looking out for your interests before his own. It becomes implicit that they must be damn good; they must be honest, trustworthy, and extraordinarily well-priced because they have enough confidence to not worry about trying to garner your money before they teach you what the business is. You educate someone to appreciate what you're selling. You normally turn a one-time-buyer into a perpetual customer.

People desperately need to be acknowledged and told that they're important. Educate them without making them feel stupid, and then direct them to action. Believe it or not, you also have to tell people what in the world you want them to do. Tell them what to do next. 'I've acknowledged you; you're important, and your needs are more important than mine. I've taught you about the product or service, and now here's what you do. If it makes sense for you, try it! Come into my store and take a look. Buy a piece of furniture and try it for 30 days. If it doesn't suit your house, if it's not comfortable, if the bed isn't the best you've ever slept on, we'll take it back.' But take them to action; make an offer that's irresistible.

The trick in the financial business is deceptively simple: make somebody an offer, a legitimate offer, that's irresistible. Give them a value no one else can give. Give them a better discount, more bonuses, a greater warranty, and then give them an inducement that makes it irresistible. You say, 'I'll give you something worth $100 as a bonus if you subscribe. If it's not what you think it is, you get your money back, but you get to keep that for your trouble.' That technique has value anywhere in anybody's business. Again, you're going to have certain people who take advantage of you, but not many.

We're doing an offer now that's fascinating. It's a blind offer. We're offering something for $100. If you don't like it, you get $120 back. People say, 'Oh my gosh, you're going to lose your derriere!' Again, some people will take advantage of you, but by and large, the offer is so inordinately appealing that it compels people who would never normally do so, to respond. But, if the product isn't worthwhile, if the product isn't a quality product or doesn't fulfill the promise, you deserve to lose. The whole premise is that you must have a quality product or service, at whatever price. Whether you're low-priced or high-priced doesn't matter. But if the product doesn't fulfill the expectations, shame on you. You deserve to get creamed. If the product is a quality product, you dramatically enhance the response and the saleability because you take all the risk away from the customer."

**PREEMPTIVE ADVANTAGE**

"Preemptive advertising is the single most powerful technique anyone could ever use. No one uses it. The first person in a field that uses it has an incredible advantage over all other competitors. And it's so simple, it's almost scary. You just take the time to explain to your customer or prospect the processes that are inherent to your business.

The classic example, going back to about 1919, is Schlitz beer, which used to be the bummer beer in the whole marketplace. It was number 10 or 15 when a classic marketing strategist whom I've patterned my life after, named Claude Hopkins, was called in to try to salvage this number ten beer and lift them to success.

When he walked in, the first thing he did was learn how beer was made. He took a course in beer making, and he went through their facilities, and he saw that Schlitz was domiciled right on the banks of one of the Great Lakes. And even though they were right there with this unlimited water source, they had dug five, 4,000-foot artesian wells right
there next to Lake Michigan because they wanted pure water.

Then they took him and showed him that there was a mother yeast cell that was a result of about 2,500 different experiments that had been done to find the quintessential yeast to make the proper taste. And they showed him this in this special room, and they told him about the experiments. And they showed him five different, three-foot-thick plate glass rooms where beer was condensed and redistilled and recondensed for purity. And then they showed him the tasters that tasted the beer five different times, and they showed him where the bottles were cleaned and recleaned 12 times.

At the end, he was incredulous. He said, 'My god, why don’t you tell people the process that your beer goes through?'

And they said, 'Well, that’s indigenous to every beer; that’s how beer is made. It’s not our beer; it’s how beer is made.'

And he said, 'Yes, but the first person that tells the public about this will gain preemptive advantage.' He got them to number one in about six months. And I’ve done that for a lot of people, too. Tell them the facts. If you sell clothes, they’re stitched 28 times for triple value, and then 14 people screen them and inspect them, or whatever. If it’s dyed, it’s dyed four times and the dye comes from Europe. There’s only one kind that you can use.

The first person to tell the public something - even something that every other competitor is doing - if the public doesn’t know anything about it, it sounds like a profound revelation. Just tell them the things you do for them, even if it’s things that you and every other competitor take for granted. The public doesn’t take it for granted, and they’ll think you’re the first to do it for them.

People don’t appreciate what you do for them unless you articulate it. It’s a very delicate thing. If you sort through one hundred representative examples from a hundred manufacturers before you cull out the three brands worth offering, how will your customers know unless you inform them of what you’ve done? People don’t know what you do for them unless you tell them. But you’ve got to do it very delicately. I believe everyone should always try to give more than anybody else. (I underlined this because if you are innovative in following this advice, you can’t help but succeed.) It may be a longer warranty period, maybe something free when they buy from you that no one else gives, and something they get to keep even if they want their money back. I think people should make irresistible offers. What you want to do is get the product placed. Get someone to buy it and try it. If it doesn’t work, if the screws aren’t the best screws, if it doesn’t hold your house together better, bring them back."

Jay illustrates the importance of education and instruction with the following story:

"A couple go to an art museum in London, pay $5 for the catalog, walk through to the first aisle in the gallery, look around and see masters, are very impressed. They know Renoirs, Rembrandts and Gauguins. And then they go around the bend and come to a god-awful, mural of acrylics and psychedelic day-glo. This picture isn’t properly listed in the catalog and they can’t find it. The couple is so appalled, they hasten away and walk through the rest of the gallery and look at the other masterpieces and the sculptures.

But as they get to the end of the gallery, lo and behold, in the end of the book, they find the repugnant looking piece enumerated, and in reading about it, they see that it was
only one of four pieces the artist had done. Two were in the Louvre in Paris, and one was in the Metropolitan Museum of Modern Art. It had taken the artist 22 years to do this one. He was considered the master of the trade. Two of his other paintings went for $4,600,000; one went for $3,200,000. This one had just been acquired for $4,000,000.

The couple that was so repulsed ran back and admired the mural. They were now educated to appreciate its value. You must understand that the public doesn't appreciate things unless you explain them.

If I told people my shirt was the only one made of a certain material, that the dye was flown in from Pakistan, and that I had to have my tailor flown in from Hong Kong to measure me -- I could build a perception of value, by educating people. Don't perceive that people automatically understand anything about your product or service. You've got to educate them.

What I'm all about is simplicity and logic. Human beings want information. If you give them information and you give them candor, even if it doesn't always make you money, it becomes implicit that you can be trusted, and people favor you. People want to know how they can enhance their circumstances. So you answer one key question for them: How do they benefit by doing business with you instead of with somebody else? If you can answer that, you're in.
HOST DEVICES

Chapter 3

In this chapter Jay Abraham reveals a breakthrough marketing idea. This concept has application for every business but is grossly underutilized. Properly employed this idea can rapidly grow your enterprise at little cost to you.

"The average business spends hundreds of thousands of dollars in marketing and advertising to build goodwill and develop loyal customers.

The cost of acquiring a customer or a prospect is enormous. (Most businesspeople don't realize it but they are in the customer- and prospect-generating business. That's the goal of all marketing. Don't ever forget it!) A business spends its marketing dollars to reach a vast audience and they only do business with a fraction of this audience. In conventional marketing, this is taken for granted.

But what if you could eliminate a lot of the expense of 'prospecting' and only spend your time and money on people who are ready to buy? Conversely, what if you could recoup the investment you've made on past prospects whom you couldn't convert into customers -- money you have written off as a 'cost of advertising'? Furthermore, what if you could do all of this with very little effort?

When you advertise and market you pay to get people you don't sell to. For instance, let's say you do a direct-mail, lead-generation campaign. The mailing costs you $1,000 per thousand. If you do well, you'll get 10% response. That's great. You've got 100 people as a result. Now, each one of those prospects has cost you $10 to bring in. If you're good, you'll convert 10%. But that means you didn't convert 90% of your prospects! So you've got $900 'wasted' on those prospects, and that cost takes away from your profits.

Arrange to 'parasitically' benefit from the customers you've acquired...or the prospects you couldn't sell...or the customers you sold something to long ago. Step back and identify what these prospects and customers are interested in, based upon what you know about them.

You have already established tremendous goodwill and trust with your customers and prospects. Another business that comes in cold would have to spend a fortune in advertising and marketing to create that trust. Your clients already have that established, and that's worth a lot.

Ask yourself, 'What kind of business do I have? Why do people come to me? What do they really want?'

And once you identify what your customers and prospects want from you, then ask, 'What related products or services do they want, need, or could they be interested in? What are they predisposed towards?'

That's when the wheels start turning.

For example, one of my clients, IRI, is a 'hard-asset' company, which means they sell gold and silver to investors. I went to diamond companies because their customers are also
hard-asset investors. I got the diamond companies to endorse IRI and then we did special promotions to the diamond companies' customers. Those customers were already predisposed to hard-asset investments and they trusted IRI because of the diamond company's endorsement. (Needless to say, the diamond company was paid a percentage of the profits for allowing us to use the endorsement.)

This concept was so profitable that we decided to turn the tables and set IRI up as the host instead of the parasite. For instance, after IRI had saturated its customers with all the gold and silver they wanted, we sought out other firms that sold something which IRI customers could buy, (a newsletter or books about precious metals). Then IRI endorsed that product in special mailing promotions to IRI's customers from the other company.

Those two examples are known as a 'host/parasite' relationship. In one instance, IRI was playing off the assets of the diamond company (customer goodwill and trust). IRI in that case was the parasite. In the other instance, IRI acted as the host by allowing other companies to play off of IRI's assets (again, goodwill and trust -- two valuable assets that most companies don't exploit to their full potential).

You should locate companies that have customers logically predisposed to your product or service. (carpet seller - carpet cleaner) Negotiate with those companies to sell your product or service to their customers. Each company should give an endorsement to your product or service, and in return they would receive a certain percentage of the profits from all sales.

Now, it sounds very simple and it is. However, there are usually a few details that come up and I will explain them for you.

First of all, it's usually necessary -- when you're the parasite -- to offer the other guy's customers special inducements because of the relationship between you and his company. For instance, in order to really garner the customer's trust, you may have to give a longer guarantee, or more product options, or a lower initial investment. (25% off or buy one get one free) This overcomes their natural sales resistance and it helps make the host company look good in the eyes of its customers because it's offering them a special deal.

In deals like this, the payoff is always negotiated. There are no hard and fast rules for who gets what. Usually the parasite company pays the marketing costs and gets repaid off the top. (When you propose a deal to access someone's client base, you pay the marketing costs.) Both sides share in the remainder of the revenue. In some cases the two sides split the marketing expenses and split the revenue.

Not all the splits are 50/50. It depends on the offer. Sometimes it makes sense for the parasitical company to forego any profit on the front-end because there's heavy repeat sales. The parasite may give the host company all the profit on the front-end and nothing or very little thereafter, because the parasite plans to make all his money on the residual sales.

If you wanted to be the host you just turn the tables. The first thing you would do is find companies with products or services that your customers would want to buy, and then you negotiate a host/parasite deal where you give your endorsement to their products or services in exchange for a percentage of the profits. Again, this percentage is negotiated, and so are the expenses.
However, when there are residual sales, you want to get the largest percentage of the profit. For example, you could go to a company and tell them that you'll allow them to market their product or service to your customers and you'll give them an endorsement and pay all or half of the up-front marketing costs, and you won't take any percentage of the profits on the first sale. All you want is 25% or 50% of the profit from all the residual sales that company makes to your customers.

This is an enticing offer to the parasite company because it allows them to access a whole new group of customers with little or no up-front marketing expenses. They'll acquire customers they probably wouldn't have been able to get, and all it costs them is a certain percentage of the profits from future sales."

My wife, who I mentioned, has a skin care salon. She went to a neighboring hair salon with the following proposal: We'll send a mailing to one another's customer list endorsing the other's business. We will give a number of special gifts and incentives to encourage these new customers to come in. For the cost of a small mailing we can each generate a number of new clients. Inexplicably, they turned the idea down. It now appears they are going out of business. It's no wonder.

"What are some of the benefits to you as the host? You are making money you otherwise wouldn't have made! You're generating outside streams of cash flow without any cost of sales or overhead! And you're able to recoup the investment you've already made in your customers and prospects and all the other assets you've built up in your company over the years.

But wait -- there's more. These new profit centers will allow you to revalue the marginal net worth of your customers and prospects, thereby enabling you to allocate more money for advertising and marketing. You'll know that every time you bring in a new customer, you're not only going to make $100 from your own product or service, but you're also going to make $1,000 because of the host/parasite deals you've got lined up. With that in mind, you could probably afford to triple your current advertising budget.

By putting together different combinations of businesses that are synergistic, you open up vast areas of unrealized profit for both sides. For instance, if you're the parasite, you can show the host company how to make easy money just by endorsing your company. And you get to play off of all the assets that the host company has built up over the years -- and do it for next to nothing!

If you're the host, it's the other way around. You make the easy money just for endorsing someone else. You get to recoup the investment you've made in all of your business's assets. And you get a perpetual stream of income from your percentage of the parasitical company's future sales to your customers. It's a wonderful relationship no matter what side you're on."

You need to think about this concept more than a few minutes. Don't discard it if you can't come up with a good fit immediately. You should try to make this idea a permanent part of your thought process. Think about it for a few weeks on an ongoing basis and the ideas will start to flow.

"Remember I said you could use this concept to virtually eliminate the exorbitant costs of 'prospecting' and only spend your time and money on people who were ready to buy! Let's say that you're spending $12,000 to bring in 100 customers, and you gross $20,000 in sales from those 100 customers. Your profit is $8,000. What if somebody were to give
you 100 new customers from whom you would gross $20,000? These customers
wouldn’t cost you a dime. Would you be willing to pay that person $10,000 for those
customers? You should, because that person (the host) saved you $12,000 in marketing
expenses.

That’s what I mean by eliminating your marketing expenses. No, you’re not going to get
your customers for free. But you can significantly reduce your marketing expense.
Furthermore, this kind of relationship is usually not a one-time deal. The host will be
constantly bringing in new customers for you to play off, so it’s a perpetual stream of
income for both of you.

What you’re leveraging off has significant value. The parasitical company leverages off
what the host company has built up - the years of existence...the hundreds of thousands
of dollars worth of advertising...the tens or hundreds of sales people and employees...the
hundreds of thousands or millions of dollars worth of capital invested in equipment,
offices, furnishings, and inventory...everything that the host company has invested in
over the years.

You get to play off of all this for no more than a share of the profits. That’s why I always
encourage people who are contemplating being the parasite to offer the host (the one with
the customer list) the maximum front-end and residual profits because it’s worth a
tremendous amount to play off of those assets.

An illustrative example of a host/parasite relationship is the real estate agent who sells
someone a house and then misses a ton of opportunities to make money after the house
has been sold.

You’ve just moved into a new city. The real estate agent worked her tail off to get you the
right house for your family. She really earned your respect and your trust because of the
good job she did finding your new home. But what does she do when the escrow closes?
She may send you a housewarming gift, but after that you’ll probably never hear from her
again.

What should she do? First of all, you’re new in town and you don’t know whom to trust
or where to go to get all the things you need in your new home. You’ll probably need an
interior designer...a gardener...you might want to have a swimming pool put in...maybe
an alarm system...you need to know where to get your car fixed...who the best
pediatrician is...etc., etc.

All these things are services that could easily be arranged for you by the real-estate agent
if she wanted to make a lot of extra money. All she would have to do is set you up with
each one of the services you need and then get a percentage of the sale from each
company that sells you something. In essence, she acts as the host -- bringing other
companies to you and getting a certain percentage of the profit. And if she does this
thoroughly enough, she may end up making more money on the back-end than she does
through her commission on the outright sale of the house!

That’s the power of the host/parasite relationship. It means going beyond the
conventional sales and marketing routines and tapping into related products or services
that your customers need. It means offering your product or service to somebody else’s
customers in a related field.

Here’s another example:
In my neighborhood there’s a young man whose mother owns a garden shop in the area. They have 2,000 or 3,000 customers. Of those customers, 80% of the business comes from 500 people. I spent some time teaching this young man how to tap into some of the back-end business opportunities that are inherent in his business, and so he’s going to those 500 people who are spending lots of money (they just need to be led) and suggest other services they can buy from him.

For instance, he’s going to coordinate such services as swimming pool cleaning and ordinary gardening and landscape maintenance, and then put it all together as a package deal. He’ll pay the laborers their regular fees and then mark that up to the customer as his compensation for bringing all these services together and making sure all the jobs get done right.

He’ll basically be the middleman or broker, playing off of the business his mother’s garden shop has already generated and adding value to it by bringing in other services. He figures he can make $200,000 a year which is what the garden shop makes.

In the same city I helped a little video store that didn’t do much marketing. However, they did have 2,500 customers. So I questioned them one day about the kind of host/parasitical relations they could have.

'Uh, they all have video players.'

'And what do we know about video players?'

'Well, they need to be cleaned and reconditioned about once every twelve to eighteen months.'

'What’s the average age of a video player?' I asked.

'Probably two-and-a-half years.'

'How many do you think have been cleaned and maintained?'

'About 4%', they said.

'Do people know whom to take their video players to for cleaning?'

'No.'

'Is it an inconvenience?'

'Yes.'

'What do people normally do?' I asked.

'Wait until it breaks down.'

'And what does it cost when it breaks down?'

'About four times as much, which means they’ve got to buy a new one.'

'O.K., then what’s the essence of your cleaning and reconditioning service? The essence
is how to quadruple the life of your video player, right?'

'Yes.'

'Do you know VCR cleaning shops that are good?' I asked.

'Yes, we refer people to them all the time,' they replied.

'Do you make anything from referring people to the repair shop?'

'No.'

So I said, 'What do you think about this: You've got 2,500 customers, probably 80% of which need their VCRs reconditioned. What does it cost to have one reconditioned?'

'Around $50.'

'O.K., let's say you charge $100 and you had a deal where the customers just brought their video players to you and you gave them a FREE loaner while theirs was being cleaned, and you even gave them two or more tapes, or free tapes until their player was returned. Then you sent it out to the repair shop and they charged you $50, you would end up making $50 on each sale. And if you got 50% of your customers to do this, you'd make $50,000 -- which is about what you make per year on the business alone!'

That was the first thing I suggested they do. Secondly, I told them they could make deals with companies that sell expensive sets of video movies. I said, 'The company could pay the cost of mailing their offer to your customers, and you could get 50% of the profits. They would get business they never had before, and you would get more income.'

'Now, if that works, you could take the same direct-mail package and the same offer and sell it to a hundred other video stores throughout the state or around the country.

That way you can continue to make money off the project long after you've exhausted the profit potential within your own customer base.

'Do you see the possibilities?'

Perhaps you're wondering why -- if these concepts are so great -- why don't more businesses make use of them? Well, these concepts are great, but most people are not capable of implementing them, and I'll explain why:

There are three reasons:

1. ACTUALIZATION. It sounds great when I explain it, but the person thinks there's a trick to it or they think I'm a fast talker or it's too theoretical. They don't understand that simplicity and logic are disarmingly powerful.

2. VALIDATION. Because it's so simple and so logical and so apparent, people don't really think it's real. People think it's got to be complex or unusual. It doesn't! I've always found that the most simple, most logical, and most obvious techniques are the ones that are the most powerful. It's so easy it causes me to lose clients. I show them how
easy it is to implement these concepts. Once they start paying off, the clients have to pay me and they think I'm not working hard enough to earn all that money. Then I lose them.

3. PERPETUATION. Even when I get my clients to do it they don't have the ability to perpetuate my concepts on their own. I find that people tend to do things only as one-shot transactions, and that's a big mistake. They don't understand that to make these things pay off, they've got to become ongoing parts of a business. Otherwise it's just a flash in the pan, and it appears not to be worth the time and effort to set it up.

I was on a call-in radio show one time talking about my marketing concepts. I stated that if you spend money to get a prospect who's interested in your product but your product doesn't quite fill the bill, the dumbest thing in the world to do is say, 'O.K., sorry we couldn't help you' and forget about that prospect.

The smartest thing you could do is say, 'Look, Mr./Ms. Prospect, I understand you're a sincere buyer and I understand that I just don't have the right product for you. But I've made arrangements with a company that has what you're looking for. Although they normally charge $2,000, I've arranged for them to sell it to you for $1,800. Normally it comes with a 90-day warranty, but I can get them to give it to you with a six-month warranty. Everyone has to pay for it in three installments, but I've worked it out so you can pay for it in six installments.'

This concept was so unorthodox that it blew people away. A guy called in to the show who sold for one of the major photocopier companies. He had never heard of selling your competition's products. I did an illustration for him.

'Look, let's say your company does a mailing to a thousand local businesses and the mailing costs a dollar apiece. They get back a 3% response, or 30 people. Since the mailing cost you $1,000, each one of those people cost you $30 to identify. How many will you close?' He said, 'If we're lucky, 10%.'

'O.K., you sell three. That means you're throwing away $810 on the other 27 people whom you couldn't close. You're adding that $810 to the cost of selling the three customers you did close. Or, more accurately, you're losing $810 in profit from the sales to those three customers.

'Now, what if you could get half of those 27 people you didn't sell to buy somebody else's machine and on each sale you made $1,000? Half of 27 is 13 new customers, so that's $13,000! That's probably more than you made on the three sales of your product.'

It's so obvious when you put a pencil to it, but no one sees it! They all say, 'Well, that's ridiculous. I don't want to sell my competitors' products!' I say to them, 'Look, if you want to give up 90% of the profit available to you and know that the prospect is going to buy from your competitor anyhow, that's your prerogative. But I'm suggesting that you make a deal with your competitors so you can share in the business that they would get anyway. What's so bad about that?'

Or you could send this qualified prospect to your competitor. Naturally, a referral is not worth as much as a sale, but it is worth something. You could make a deal with your competitors whereby they give you so much money per lead against so much per sale.
What if you’re the parasitical company? Well, let’s say you sell a very inexpensive photocopier and you know that many people can’t afford the expensive copier like Xerox. Yet Xerox brings in 1,000 prospects for every 10 they sell and they just basically abandon the other 990. You should go to Xerox and say, ‘Look, you’re spending $10,000 on the 990 people you don’t convert. You’re just wasting your money. How would you like to get back not just the $10,000 you waste on them, but a $10,000 profit on top of that so you could quadruple your advertising allowance? I’ll make you a deal that’s irresistible.’

And then you propose to them two things: First, you’d like to get them to sell your photocopier when they can’t sell their own. But if they won’t do that, you want them to give you the leads they’re finished with. In return you give them a share of the profit from every sale you make. It’s so logical, but no one does it.

The same thing applies in spades to car dealers. I once addressed car dealers and said, ‘You spend $10,000 a month in advertising to bring customers onto your lot. You sell to 5% of them. You know that of the 95% you don’t sell 20% to 50% are serious buyers and they’re going to buy from someone else.

Why let them leave your lot without a car? If you can’t sell them one of your cars, why not say, ‘O.K., I understand you want to buy a Toyota and I sell Mazdas. I think you’re foolish, but if you’re going to buy a Toyota anyhow, I can get you a good deal on a Toyota because I have very good relations with the Toyota dealer. I can make a deal with you right now and you won’t even have to go anywhere else. Just tell me what you want and I’ll give you the best price. If you buy it from me, you’ll save at least $1,000.’

I then asked these car dealers, ‘How many more sales do you think you would make if you had a program like this? Quite a few, right? So why not make them? Conversely, you could also go to other dealerships and try to get them to sell your cars. You say, ‘Look, if you know someone’s not going to buy, why let them off the lot when you could still make $500? You can actually reclaim your lost marketing expense! All you have to do is sell my car as a backup when you can’t sell yours. I do it, and it works great!’

If you are in a business where you have a good product or service, but you’re having a hard time making a profit because you’ve got to spend so much on advertising, this is a wonderful way to generate an ongoing stream of profitable business. You won’t have to spend $10,000 to get $8,000 worth of sales. You’ll know that every dollar coming in your door has a guaranteed profit attached to it because you didn’t have to pay any up-front marketing cost. What a wonderful way to do business!

Here’s what you should be thinking right now: ‘How can I add somebody else’s product -- even a competitor’s product -- to my business and make more money than I’m making on my own?’ Or... ‘I can’t add anything to my business, but I can take my product to other businesses and take advantage of their assets!’ Almost every business can go both ways. You can bring all sorts of things to your business and you can take your business to all sorts of other people. I call it the ‘two-way valve’ effect.

Moreover, if you don’t have a business but you’d like to start one without any overhead, this is a great way to do it. All you have to do is be the middleman between the host and the parasite and tie up the rights both ways. You go to as many businesses as possible and say, ‘I want to market your product for you by having other businesses in related fields sell it for you. All I want is 25% of the profit.’ And then you go to the other business (in this case, the host) and say, ‘I want to bring products to you that you can market and all I want is 25% of the profit I make for you.’ This way, you’re putting the
deals together and profiting both ways. You will make a lot of money! By doing this, you can put yourself into business immediately.

What I'm trying to teach you is a new way of seeing things -- a new perspective. Unfortunately, most of us lack inertia and are risk-averse. Everyone is worried about falling, or they think there's a risk I haven't mentioned. 'Oh, it's going to ruin my business,' they say. What they don't realize is that people respect a business that can ethically recommend its competitors. It's like the scene from Miracle on 34th Street where Macy's was telling people to go to Gimbel's if Macy's didn't have what the customer wanted. The customers loved Macy's for that!

This 'host/parasite' concept works three ways: You're the host and you're bringing other business to you. You're the parasite and you're taking your products to someone else's business. You're a guy who doesn't have any assets but you want to leverage somebody else's assets. If you understand the leverage, it's incredible! You can do it all without really investing any money yourself. Amazing!"

Let's review how exactly to go about doing this.

'To create a 'host/parasite' relationship identify all the kindred businesses, professionals, organizations and even competitors who have viable prospects for your product or service. Approach each targeted company to allow you to solicit the 'host's' customers in return for a share of the resulting profits:

1. Then write a letter of endorsement -- ostensibly coming from the owner of the business -- recommending your firm and a specific product or service you're offering. In return, the host receives a generous share of the profits from the deal.

2. Get the host company to agree to continually promote your products or services to their customers, especially to people the host has sold all he can.

3. Get the other company to let you (the host) offer their products or services to your customers on a profit-sharing basis.

To get other companies to promote your company ask a simple, graphic and overwhelmingly appealing proposition. Would the host company like to make $10,000, $20,000, $30,000 or more for no effort, risk or investment? Virtually no profit-oriented business could turn that down and would at least want to know more.

Point out the following facts:

A. Your product or service is absolutely non-competitive to the host's product or service. In the case where you approach a competitor, point out to them that any ancillary profits will result from reworking their list, after they have drawn all the profits they can from it. This may be especially appealing to companies who own large, 'one-time' purchaser lists.

B. It's not going to take away or supplant any income or profits the host would ordinarily realize.
C. It augments their profits.

D. They don't have to lift a finger or spend a dime. If they wish to participate in the marketing expense, that's even better. You will be able to reduce your capital risk.

E. You will create all the marketing material -- subject to their approval. You will pay all the printing, postage, and other costs (avail them of the opportunity to joint-venture with you wherein their profit share is greater).

F. You'll indemnify and hold them harmless -- plus you'll unconditionally guarantee everything sold.

G. The host company can have all orders routed through them for verification.

H. Repeat over and over, it's purely bonus for them.

Address any fears the host may have immediately and confidently. Most often, the potential 'host' won't totally understand the concept and how it will work for them. Educate them, tell them about yourself, your company, spell out and stress the potential profits.

As an example, approach the host by letter or phone with an offer similar to the following:

Hello, my name is Dan McLean. I own Dan's Hobby Shop. We sell collectibles and specialize in stamps. Our products have a natural mesh with your customers and prospects. I'd like to offer you the following: After you have garnered all the sales or profits you can out of a customer allow me to sell them my stamps either through an endorsed letter from you that I will prepare and pay for (or through a telemarketing campaign that you design and pay for or through ongoing sales pitches that we will create together). In return you share in the profits. I understand that this offer may be far different than anything you have heard, but please consider it seriously. It may make you a ton of money...enough to pay for several months of your payroll...or enough so that you needn't worry about your taxes this year. I'll be paying you out of the profits we share.

If you don't feel comfortable approaching possible hosts, hire a full time person to do it for you. Compensate them with a percentage of the profits that are generated from the relationships which they have created.

You have a high potential for profits and the risk of loss or failure is low. At worst, you will gain a good deal of experience for no more than the cost of a mailing. If you have done your homework, you won't approach hosts with lists that won't be profitable. You'll approach those with compatible lists."

Here are a few examples I put together: "I recommend that a realtor advertising vacation homes in out-of-state Sunday newspapers contact everyone else advertising out-of-state vacation homes and get the names of inquiries who did not convert. I advised a carpet company to tie in with local realtors. The realtors gave them the names of their clients who had recently purchased a new home. An endorsed mailing from the realtor recommending the carpet company pulled very well. I advised an upscale remodeling
company to contact fence companies, security services and swimming pool companies. The clients from those other companies were most likely to be interested in expensive remodeling.

Every asset that your company has must be fully maximized if you expect to succeed and compete in the future. One of the most powerful assets your company has (and it won’t be found on a balance sheet) is your customer list and client base. To rephrase an old adage, "The customer is always right...for your business and mine."

ANSWERING OBJECTIONS

"Objection #1: 'How do I know it’s not going to take away my customers?'

Answer: 'First of all, we’ll do a pilot test to see if it works. We test it on a small percentage of your customers, not all of them. Then we’ll compare the revenue from this test against the revenue you’re making from the rest of the customers who were not approached in the test.

We just want to augment your business, never supplant any part of it. We’ll take as long as is necessary to get accurate results, and we’ll be as conservative and as analytical as you want so we can prove to you that it’s only going to make you money.

Objection #2: 'I want control. I don’t like you having control of my customers.'

Answer: 'To assure you that you’ll have control over the quality of our product, you can check us out as thoroughly as you want and you can impose any kind of controls or standards that you want. We’ll even create the kind of product or service that you feel most comfortable with. We can repackage it to be anything you want. If you want it to have a longer guarantee...a lower price, a higher price...it doesn’t matter. We can do whatever you want.'

Objection #3: 'How do I know I’ll get paid?'

Answer: Simple. You control the money and I’ll collect from you. I’ll trust you even if you don’t trust me. Or if you prefer, we’ll have a separate account with a separate bank of your choice and we’ll give the bank some escrow instructions so that every time I deposit a dollar (and 20% of sales is real profit), 10 cents out of every dollar is automatically transferred into your account. There’s no risk that you won’t get paid.

When you’re negotiating these ground rules and costs with the other party, I recommend that you be conservative and honest with one another. The greatest wealth this kind of program produces comes in the residual effect of enduring relationships.

If you cheat somebody by building in false costs, it makes the return marginal and the other party may decide they don’t want to keep doing it. You’re better off making it obscenely profitable for the other person.

When you cut the deal with the host, try your hardest to get a guarantee that when the test does a certain amount of business, your relationship with the host is automatically renewed on an exclusive basis for a period of time.

This way you lock up the relationship so the host can’t bring in a competitor or do it
himself. You want to be duly rewarded for showing him how to make all this money, so be sure to get an 'automatic renewal and exclusive' contract.

On the other hand, when you're the host, you don't want to get involved in a perpetual or exclusive relationship. You want the flexibility to be able to work with whomever you please. So if you approach a parasitical company and they want a perpetual exclusive, don't give it to them.

By the way, depending on the amount of ingenuity, you don't have to split 50/50. The split can be anything the market will bear. Your goal is to optimize and leverage everything you do...every dollar you spend...every customer you bring in...every resource you have...every effort you've formerly extended and can reclaim...over and over again.

The worst thing you can do (when you're the parasite) is to have a short-term deal where your brilliance brings something to somebody and then they dump you after they see how well it works. On the other hand, if you're the host company, you don't want to show a parasitical company a good idea and you not profit. Tie the parasite up.

It may turn out that you could make more money letting all your competitors use your concept if it's an exceptional idea. To secure half the profit you want all that business to go through you. That's the only way you'll be sure to make any money. The bottom line is, you want to tie it all up in the beginning. You want to get all the important concessions squared away at that point, and you want to have a very binding, long-term contract to protect yourself.

Now, nobody in their right mind is going to give you a perpetual contract on something, so I recommend making it provisional. As long as the initial market test does a minimum amount of business, the relationship is automatically renewed for a finite period of time. When I did a lot of work in the financial newsletter field, I often acquired the rights to do inserts in the various newsletters. The first time I did it, I tied up a minimum performance renewal which automatically gave me a two-year relationship with my client. As a trade-off, I had to give them a percentage of gross sales -- not the usual profit split that I normally do.

One time I did inserts on a 50/50 deal. Another time the client didn't want to pay me out of profits so I gave them all the profits and they gave me their mailing list for my unlimited use. So sometimes you've got to go around and around to get these considerations. Sometimes the people are going to drive a hard bargain and you won't be able to make the profit split you want. Keep in mind that if you can find a way to make the deal profitable, you should be willing to trade the profit for other consideration that make you money. In other words, be flexible.

And don't lose track of the fact that if I gave you $100,000 for no effort on your part, would you give me back $90,000? Well, in theory, everyone would say 'yes'. But in reality, most people get offended for having to 'pay' you so much. So just because you can't get exactly what you want, it doesn't mean it's not a good deal. If you get something and it doesn't cost you any time or resources, you are a fool not to make a deal. But most people don't see that.

For instance, if you want 50% of the profit and the guy says he's only going to give you 20% -- and you do everything in your power but you can't get more than 20% -- that 20% is still more than you had when you started. And if it doesn't cost you anything -- if it's pure profit with no expenses -- what have you got to lose?
But here’s the biggest reason why you shouldn’t be too choosy when you’re negotiating the test deal:

You need validation!!!

When you put together a host/parasite relationship for the very first time, it’s an abstract concept. That’s hard to sell. But once you’ve done a pilot test and it works, then you’ve got validity. You’ve got an empirical example. And that’s easy to sell.

So if your idea can be replicated -- meaning you can do it with more than one company and in more than one area -- you would be a fool not to go for almost any deal you could get when you’re trying to validate your concept. As long as you don’t get tied up, you’re fine.

By the way, be sure to get all the documentation you can from your pilot test. It’s crucial so you can prove your concept to other people. Sometimes the host company is apprehensive about entrusting their customer names to you. What do you do then? Personally, I always warrant in writing that, under penalty of incredible punitive damages, I will not make their names available to anyone else and I will not use them for anything other than the express purpose designated in our agreement.

I lose clients for the silliest reason: I make too much money. At least they think so. However, I only make money by making them money, because I get paid out of the increase in profits. But you know what? Most people still have a problem with that. Even when I make them a million dollars (and that happens quite often), they don’t like to have to pay me a quarter of a million in return. In theory they agree to it, but when the money goes into their bank account and the time comes to pay me, they no longer see me as a cost of sales; they see me as an expense. Worse yet, an expendable expense. So they discontinue our relationship.

However, that’s as much their loss as it is mine, because invariably the clients fail to upgrade their marketing efforts (as I would have done had they retained me). Eventually their programs become deprived of oxygen and they die. They die because they cut me off. It’s dumb to kill the goose. I hope this will convince you not to do the same thing to someone else when you’re the host. Remember: These deals will be lucrative for both parties. If you need to re-negotiate, that’s fine. Just don’t kill the goose.

The late great Joe Karbo used a host technique and made a lot of money from it. He had a horse-race gambling list, but he never rented it. Instead, he went to everybody who had direct mail offers appropriate for that list and said, ‘Look, I won’t rent my names to you, but if you’ll give me your mailing piece, I’ll print it with my address -- I may or may not endorse it -- the money will come to me...we’ll take the cost off the top, and then we’ll split 50/50.’

Do you know how much he made doing this? $400,000 a year from only 50,000 names! Normally you could expect to make only $50,000 a year off 50,000 good names. But Joe made eight times that much money just by one little transactional difference.

What can you play off of? Ask yourself that question every day. You’ll be amazed at how many possibilities you can come up with. If you want to be a parasite, look for ways to play off of somebody else. Think of different ways you can get your product or service sold by somebody else. Where does it mesh? Who could host it? How could they sell it to their customers? How could they give you access?
An interesting example that you might be familiar with is one being done right now by Ralph's Supermarkets. (I'm not sure if they have any where you live, but they're all over Southern California.) Right there in the supermarket there are other businesses operating on a joint venture with Ralph's! There might be a delicatessen, a bakery, a flower shop, a seafood shop...you name it. They're all separately owned businesses that are playing off of Ralph's enormous assets (such as location, traffic, advertising, etc.). It makes perfect sense and it's working beautifully!

I've seen several other places where this is also being done. A few miles from my home in Palos Verdes there's a Vendome Liquor Store. But inside that liquor store there's a Giuliano's Italian delicatessen. They're leveraging off of Vendome's assets. And in the nearby city of Torrance, there's an office supply store called OMNI that has two other businesses operating within its building. One is a PIP printing shop, and the other business is called Freeway Stores that sells typewriters and computer equipment and photocopiers and things like that. They're all there, right under the same roof, leveraging off of the office supply store's assets.

I'm delighted to see people using the concepts I advocate. And I hope you will use them, too! But perhaps you're asking yourself, 'Why aren't more of these kinds of deals made?' A big problem is people's perspective. They don't believe it can be done. They think it's unreal for them to be able to make so much more money with so little effort. They're used to a conventional way of doing things because everybody else does it that way.

They're afraid of the unknown and they're afraid of making things happen. As a matter of fact, most businesses are reactive, not proactive. They're not innovative or experimental, and they're certainly not adventurous. Believe it or not, most businesspeople are not entrepreneurial. They don't have that deal-making, creation-of-wealth perspective that's necessary to come up with winning concepts and make things happen. They make a living in spite of themselves, just by feeding off the momentum of the marketplace. If only they realized how simple it is to do so much more."

Jay was once asked if he could only have one marketing technique to use what would it be? His answer was the endorsed relationship. Let's suppose you are a stockbroker. You know that the great financial guru, Moses Jones, writes a financial letter read by 100,000 avid readers. When he recommends a stock there are so many buyers the stock jumps. You find a way to get his endorsement. In his next issue he recommends a hot stock and also mentions your name and gives your 800 number for people to call and buy the stock from you. That's a big league moneymaking endorsement.

There are all sorts of celebrities or well known individuals whose endorsement would help your business. Any newsletters that give advice or information on your products and service can be a tremendous ally. Don't hesitate to call them.

One of the great financial endorsements of all time was the one that Jim Cook of Investment Rarities secured from Howard Ruff, the newsletter publisher and best-selling book author. When the Ruff Times was a small start-up newsletter Cook cajoled an endorsement from Ruff for his gold business. This was in 1976, just before the gold market quadrupled and just before Ruff grew from 2,000 subscribers to 150,000 subscribers, many of whom were worried about inflation and wanted to buy gold. As Ruff's subscriber base expanded dramatically, Cook's gold business kept pace.
"I do endorsed relationships all the time, and they always come through. Think of someone that could spread the word about your company. Get the 'connections' you need by getting help from other companies. You can do endorsed promotions that will get you 3 to 10 times the yield you're normally used to.

When you get an endorsement, you eliminate all the steps of trust development that are necessary for a business in the marketplace. It is immediate and efficient, and the cost of accessing customers is a fraction of what it would be in the outside market but the yield is many times more than it would otherwise be."

**Another possibility for additional income is a straight rental of your customer list or prospect list to direct mail companies. Many companies make big money through list rental. The following facts come from direct mail wizard Lauren Janus:**

"If your own customer/inquiry list has reached 50,000 names, you're sitting on a valuable source of additional income to your company. A list of 10,000 - 50,000 also represents potential but not quite as great a source of revenue.

We've often said that if rental income from letting other direct marketers use your mailing list does little more than pay the computer service bill for the year, you're ahead of the game. You have to computerize your mailing list anyway -- the only additional costs to rent your mailing list are the running charges involved in producing the list and the commission to the list manager for placing the rental order.

Lists are marketed through mailing list brokers. At last count, somewhere between 500 and 1,000 individuals are employed in the list brokerage business as sales or account executives. There are five different categories of list people:

- **LIST OWNER:** Somebody like yourself or your company who owns a mailing list that has been built for marketing their own products and services.
- **LIST BROKER:** A middleman who represents the list owner to sell rentals of the list for a 20% commission.
- **LIST USER:** The company that rents somebody else's mailing list for the purpose of sending out its promotional mailings.
- **LIST MANAGER:** A firm that undertakes the promotion and sale of your mailing list to other brokers. The firm may be involved in computer services and can also handle computerization and maintenance of your list. It may also function as list broker and list compiler on a fee or percentage basis.
- **LIST COMPILER:** A firm that builds mailing lists from raw sources. Its sources can be mail order response, business directories or telephone books. This company owns the list that it may market itself or it may market through list brokers -- or both. Some of the better known list compilers include DUN & BRADSTREET, NATIONAL BUSINESS LISTS, ED BURNETT CONSULTANTS, REUBEN H. DONNELLY CORPORATION, R.L. POLK COMPANY.

How do you generate income from your mailing list? You can simply create a mailing piece giving details about your list, mail it to the list brokers (whose names are readily available out of DIRECT MAIL LISTS RATES AND DATA) and sit back and wait for the orders to come in. The broker will bill the renter on your behalf and when he receives
payment from his client will remit to you less a commission of 20%. CAUTION: List brokers are frequently slow in paying for rentals. They blame it on the fact that their client didn’t pay them but we have documented dozens of cases where the broker has taken weeks after he has been paid by his client to remit to the list owner.

The broker takes no liability for collection of the bill. If (and when) he gets paid, you get paid. If he doesn’t get paid, it is your problem. Thus, it is important that you exercise credit approval on his client and do not hesitate to ask for ‘cash up front’ if you doubt the credit worth of his client. Most brokers are reputable and will (eventually) remit to you after they’ve been paid. All promotion and sales activity rests on you. Brokers will phone you for information and requests for clearances.

The second way to rent your mailing list is to put it in the hands of a mailing list manager. You can either furnish him a computer tape of the list and he’ll do all the work for you or you can simply send him raw data (inquiries, orders, etc.) and he’ll computerize and maintain your list for you. Obviously, he’ll charge you for his computer time and key-punching. If you send him your tape, he’ll charge you the running costs for producing labels or dupe tapes. Or, you can retain your tape at your present computer service and he’ll send you orders that you can produce and ship.

If you’re already busy and don’t have time to devote to selling effort on your mailing lists you’ll probably want to put the list into the hands of a list manager. There are a number of good ones. The publishers of JDML (JANUZ MARKETING COMMUNICATIONS, INC.) operate a LIST BROKERAGE AND MANAGEMENT DIVISION and would be delighted to submit a proposal to you if you’d like to consider using a list manager to market your list. The list manager normally gets 10% to what the broker already gets (20%) plus charges for his computer time at his cost or on a fixed schedule of fees.

The list manager takes the headaches out of running your list business -- he handles all selling effort, inquiries, the furnishing of accounts and the producing of orders, billing and collecting. You won’t get paid much earlier from the list manager (in fact, probably an additional few days will be added for the processing in his office), but you’ll be able to break into the list business much more rapidly.

Most mailing lists are rented for ‘one-time use.’ Most rentals begin as ‘test’ mailings for 5m or 10m names. Continuations will result if the test works. It takes a full year to generate a good list rental business, so most managers will insist on a two-year exclusive contract to handle the list.

A turnover of 6-10 times per year on your list is good. If you pay the broker 20%, the manager 10%, and your running costs are 20% that leaves you 50% profit on the list rental income -- that is pure gravy to most mail marketers.

If your list is 50,000 names and you rent for $50/M using the above formula at 6 rentals a year you’ll NET $7,500 on your list for the year. Build your list to 500,000 and you’ll quickly see the potential."
Jay Abraham recommends one source for information on starting a business:

"A client of mine, Jim Cook, wrote a great book, 'The Start-Up Entrepreneur.' It's a truly wonderful account of the ins and outs of becoming a successful entrepreneur.

Jim Cook came up the ladder of success the ultra-hard way. His commitments to service and customer satisfaction don't just impress me -- they form the bedrock of the very ethic and philosophy I use to run my own marketing business. I've learned a lot about business from Jim Cook -- and I've polished some of my own rough edges using the axioms and credos he extols in 'The Start-Up Entrepreneur.' With Jim's permission, here's a list of 'must do's,' as he calls them. They are sound advice and echo the philosophies I'm teaching you.

1. You must develop the ability to see the needs and wants of others.
2. You must find a market gap.
3. You must become a service and quality fanatic.
4. You must get started.
5. You must offer your original investors the chance to profit in a big way.
6. You must start small.
7. You must use the telephone constantly for acquiring all kinds of information.
8. You must hire the best people and generate entrepreneurial excitement.
9. You must charge enough, meet problems head on, and collect your money up front.
10. You must develop a strategy that helps your customers grow, improve, or profit.
11. You must aim constantly to become the dominant company in your industry.
12. You must maintain honesty and integrity always -- and in all dealings.
13. You must accept no freebies, government grants or subsidized loans.
14. You must be generous to employees with wages, profit-sharing, and
benefits.

15. You must see your company as national, rather than local or regional.

16. You must develop tenacity and perseverance to survive days and nights of anxiety.

17. You must manage your company for constant mistake avoidance.

18. You must win your customers back again and again.

19. You must apply a fail-safe range of management checkpoints and controls.

20. You must establish a corporate philosophy that stresses quality and service.

21. You must develop an error-free reporting system.

22. You must constantly seek to pay minimum taxes, but always stay within the law.

23. You must diversity into those areas that fit and supplement your existing business.

24. You must find something worthwhile to do with the money you earn.

25. You must sell your company or service only when you are no longer excited about what you do.

I don’t make a dime on Jim’s book. If you want a copy, you’ll probably have to order it from your bookstore. Ordering a book is a pain, but The Start-Up Entrepreneur is really worth reading.”

**We lifted a few paragraphs from Cook’s book that relate to marketing.**

"Let's start out with the most elementary concept of what successful business is all about. You, the entrepreneur, must present your particular product or service, within the framework of the marketplace, alongside all other competing products and services, to be examined by a group of people who are the kings of the marketplace. They pick and choose what appeals to them and ultimately spend their money on those things. These kings of the marketplace are the consumers. They decide who wins or loses, who succeeds or fails. They are shrewd and discerning, self-serving and unforgiving. You must please these rulers of the market with goods and services that offer advantages to them. Successful business begins and ends with providing these sovereigns of the marketplace with superior products they will choose willingly.

One of the world's great inventors and entrepreneurs, Charles Kettering, observed: 'In business the one fellow you never think much about, whom you don't know, sits back the controls the whole thing, and that fellow is your customer.

'I have often said that all of the profit and loss on any manufacturer's books are the
applause and hisses of the customers.'

One of your principal relationships will likely be with an advertising agency. Small start-ups frequently use newspapers to put together ads. They often look tacky. A professional job by an agency enhances your image. Start out by asking them to make up your logo (trademark or motto). Then, when you need it, they can formulate your first ad. A good ad agency account executive can also give you direction and insight into your market and its distribution channels. Use your agency as an important teacher of advertising and marketing techniques that will be useful throughout your career.

In time, you will need to establish an art department within your company to facilitate a myriad of small jobs that every venture requires. The extent of its involvement in lofty corporate promotions depends entirely on the skill and expertise of the people you hire. Good art, copy, and layout people are a fine asset, particularly if they are careful, watch costs, and minimize mistakes in printed material and ads.

Your ad agency can be a one- or two-person house, or a monolith. Your primary concern should be to make sure they have a feel for your product or service. This requires your participation in ad planning meetings. Lend all the talents you can to the advertising process. In fact, if you have skills in this area, do what you can yourself. Only you can fine-tune the gist of your ads. If the agency is to develop a feel for the company's products and mission, the entrepreneur must scour their efforts and critique copy and layout. This can be bruising to the agency. Nevertheless, make them overwhelm you with talent before you are satisfied.

You want a good agency. The big guys won't be too interested in you when you start. A lot of small guys won't be either. I once contacted a former big-agency hotshot who had split off to start his own company. He turned up his nose at my piddling account. He wanted major corporations. He failed to understand that growing up with small accounts can be a superb formula for a new agency to follow. When my company boomed, he began to call me. By then my ad needs had been met and I was too busy to talk to him.

Sometimes small agencies that have been around a long time have stayed tiny because they were no-talent operators or outright chiselers. Like any business that serves people, an agency must be looking out for your interests first.

There are a lot of part-time ad people, creative floaters, and short-term entrants in the advertising field. You may be able to strike up a profitable relationship with one of them; but a young, aggressive, small house, willing to gamble somewhat on your future, seems more suitable. It should see in you not just present income but an opportunity for you both, where their contribution will help to enhance and build your company.

Sometimes, because of expense or inexperience, a new company fails to advertise. No company, large or small, can get by without advertising. If you wish to survive and grow, you must advertise. If you plan to have a truly entrepreneurial, first-rate growth company, advertising will speed you toward that goal. The best means of appreciating the value of advertising is to go ahead with it. You will see immediately that advertising brings results. You need to spend at least five percent or more of your gross income on advertising.

A mandatory requirement of your advertising is that it be truthful. Practice full disclosure of all the facts, good and bad, in your promotions. Julius Rosenwald made sure that the Sears catalogue faithfully described the merchandise it offered.
instructed. 'It may take courage to say plainly that the embroidery on the sleeve of a woman’s coat is of artificial silk, but it is better than to have even one of a hundred women find out for herself.'

A new company should forgo institutional-type advertising. You need specific offers, return coupons, lead generators, and response vehicles. Your ad promotions should cause people to take action -- to call, to write, to buy, to investigate, to come by. You’re trying to uncover customers and interest them in what you have to offer. Entice them to make a move.

My company has outpaced its competitors by providing information and education constantly in its advertising. We send out special reports, booklets, and educational pieces on all our investments. We try to teach and instruct. We give knowledge. We dispense facts. If we help our customers to make better decisions, then they will prosper. If they do well, then so will we. This philosophy should permeate your whole operation and particularly your promotion and advertising.

I am touching here on a vast subject, and it would be presumptuous to reduce it to a thumbnail presentation. I believe a truly successful entrepreneur must in time become somewhat of an expert on advertising. Through trial and error, an understanding of the art evolves. The Appendix of this book lists several books about advertising, written by the masters, to supplement your actual experience. (They happen to be most of the same ones we have listed in this book.) They will guide, suggest, and inspire. If you do not contribute directly to the creative process of your advertising (copy, layout, media selection, or campaign), then you must at least recognize and sense what is powerful and what is weak.

Advertising is frequently bad, generally average, and occasionally great. The best of it (which you want for your company) comes through a process not unlike the entrepreneurial experience. Good ads come through innovation and creativity spawned from deep commitment and total understanding of both product and market. Good advertising catches the spirit of the entrepreneur. It breaks new ground, seems fresh and different, provocative and new. It will be imitated quickly by others; for, above all, it will work. A breakthrough company supplemented by breakthrough advertising will dazzle the marketplace. Couple entrepreneurial genius with advertising genius and no competitor is safe.

The bottom line on advertising lies with its integrity. You must perform as you say you will. These words come from the great nineteenth-century merchant and entrepreneur, John Wanamaker: 'What we advertise we must do. Tell the customer the exact quality of the goods, if he does not know it, and don’t let him be satisfied with a poor fit or with a style that is manifestly unbecoming. Don’t you see that his women folk will make him dissatisfied? Then he won’t come back.'

Advertising forms part of the overall marketing strategy of a company. What exactly is marketing? How important is it? Peter Drucker answers, 'Because its purpose is to create a customer, the business enterprise has two -- and only these two -- basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are 'costs'...The economic success of Japan...rests squarely on an acceptance of marketing as the first function of business and its crucial task....True marketing starts out...with the customer, his demographics, his realities, his needs, his values. It does not ask, 'What do we want to sell?' It does not say, 'This is what our product or service does.' It says, 'These are the satisfactions the customer looks for, values and needs.'
With any new product or service you must determine to whom you are going to sell it. Is your product suitable for the buyers you have in mind? Will they buy it? Initially, you may not have these answers. You can implement a variety of market research methods or use outside consultants. The best method, however, is to get on the phone and talk with anybody and everybody related to your project. Although you get, on balance, negatives to most fact-finding phone sessions, they are the best way to learn a lot fast.

Most entrepreneurial products (breakthroughs and innovations) don't lend themselves well to standardized market research. New concepts are invariably greeted with disparaging commentary. Inevitably, you must make a commitment to them in spite of all the negatives you hear.

The old 'better mousetrap myth' implies that the world will beat a path to your door when you perfect and display a superior device. But rarely, if ever, does a product sell itself. For the entrepreneur, selling is the guts of marketing. Selling and marketing are not opposites, they are one and the same. If you don't get out and sell, you aren't going to make it with a new venture.

An old sales motivator, Red Motley, used to say, 'Nothing ever happens until somebody sells something.' There is a lot to know about running a company. But before you learn and practice most of it, there must first be sales.

There are reams of material on effective selling techniques. I shall repeat A.P. Giannini's sage advice: 'The way to build up clientele is to go out among them and present to them first-hand the advantages offered by your business.' Either you or some exceedingly competent associate must go out and sell your service or product.

If you do the selling and marketing in your company's infancy, you will be able to instruct others easily on how to do it later. Your product or service has its own individual strong points and weaknesses. If you sell the product first, you know how to emphasize benefits and overcome objections. Then you can teach these tactics.

My definition of marketing is promoting your services. Business writer Brooks Fenno carries this a step further --'An effective marketer promotes a product in ways that relate to the needs of the buyer.'

This is exactly what IBM chief, Tom Watson, was angling at with the formulation of IBM's influential and successful marketing philosophy. Mack Hanan, in his book, 'Fast-Growing Management,' tells us:

When IBM was you and in its entrepreneurial phase of development, Tom Watson stood before his people and laid down policy. Assets would thenceforth flow chiefly to marketing. Customer knowledge would be the company's most important resource, the base from which all products and promotion would flow. The sales force would sell as consultants to their long-term clients. The consultant sales force objective would be to improve customer profit, not sell computer systems. For this, IBM would command a premium price. Premium profits would follow. The entire organization would live as it sold -- by being the most cost-effective processor of information about its markets and then marketing the output in the twin forms of the product and selling style.
This philosophy must surely have emanated from National Cash Register’s founder, John Henry Patterson, who instructed employee Watson and others, ‘Don’t talk machines, talk the prospect’s business.’

Hanan goes on to refine further one of the most powerful marketing strategies ever devised:

What is the one best way to grow your business? There is a single answer: Grow the value of your customers’ businesses. Help them make more profit as the result of doing business with you. Teach them to be profit-making investors in the rewards you offer. Then teach them how to reinvest their return in adding still greater values to their businesses through applying more of your products and services. Demonstrate the unique benefits of a planned partnership with you.

If you do these things, your customers will be unable to escape growth. Their growth will leave you no recourse but to grow in response.

Customers have already been described as sources of funds. Now we can amplify that definition. Customers are the sources of growth funds. They are the true sponsors of your profits. You are, in effect, in their employ as a grower of their businesses just as much as you are in the employ of your own business. Without them, you cannot speed your growth. Without you, they cannot speed theirs.

Perhaps this is what old-time entrepreneurs mean when they say, ‘Take care of your customers and they will take care of you.’ A good growth relationship with your key customers is essentially a mutual aid pact: You help me grow and I will help you grow.

Customer growth must also be the basic positioning of your business. Why are you in business? ‘We are in business to help our customers speed their growth.’ And you yourself, in your style, your policies, and your role as definer of your business, must speak out clearly for customer profit enhancement at every opportunity.

This is a marvelous marketing credo for you to follow, but what exactly are the marketing steps you must take to get sales? Let’s follow your start-up through the various marketing elements.

1. Your market research should first be done by telephone. You want to pinpoint potential customers. Who are the buyers? Who are your competitors?

It’s crucial that you also uncover the distribution system. How are such products or services sold? By mail? By phone? Through reps? Via salesmen? Dealers?

My partner, Bernie, called his lengthy sessions on the telephone ‘brain picking.’ He was constantly searching for new products, fresh opportunities, market gaps, and breakthroughs. When he found one he zeroed in on all the marketing dope over the phone.
2. The library offers many publications that are imperative for you to look over, for example, the Thomas Registers, which give listings of every company in scores of manufacturing and product lines. The library has lists of trade associations, trade shows, manufacturers' reps, and endless other rosters that you can use to contact other companies. Lists of suppliers, distributors, and wholesalers are invaluable to new ventures.

3. There are two fundamental rules of selling that must be followed religiously: The first rule demands that you listen to your prospect, let the customer talk, ask questions, discuss business needs, personal affairs, or whatever the other party wants to converse about. All of us love to talk about ourselves. The second rule dictates that the first sales call to the prospect should be the opening stanza in a five-part solicitation. First calls invariably bring negative responses. Follow-up sells. Your sales solicitation must be comprised of a minimum of five separate calls.

4. Effective marketing requires close coordination among product availability, timely shipping, and sales. Your product development must ensure that the goods be available for timely delivery following the sale. The start-up often has problems perfecting the product, thus losing many orders. Development and manufacture of new products mean delays, incredible frustration, and more delays. In this period you will either learn patience or you will go mad. When selling new products, it is wise to allow more time for delivery than normal.

5. Once you have sold and delivered a few orders, you should develop a postsale follow-up. If your product requires service, it must be done with speed and timeliness. A personal contact to determine satisfaction makes sense. Some sort of excellent, unique follow-up must be devised.

Tell your customers from time to time that you appreciate them. Letters or mailings can convey this message. A small gift of information or advice also shows your gratitude. Then your customers will begin to sell for you. If you overwhelm them with appreciation and concern, they will tell others about you. When that begins to happen, you will be exceedingly busy.

John North Willys was a remarkable entrepreneur. He built the Willy-Overland Company from next to nothing into a highly successful auto company in a brief span of time. Back in 1917 Willys passed along these gems of marketing and distribution wisdom:

I once picked up a book on business and, turning to the chapter on distribution, I read these satisfying words: "It is always best to sell your product to the jobber because he will, in turn, dispose of it to the retailer." In the mind of the author of that volume the whole problem of distribution was contained in --'just get the goods out of the shop.'

It would be delightfully simple if real life only worked out in some such way. But the businessman today knows that distribution cannot be so easily dismissed -- or dismissed at all. A good part of the success of
any businessman depends on how his marketing is done -- how the man acts who comes into direct contact with the ultimate consumer.

All of us are quick to recognize that the wrong kind of an agent has in him the potentialities of much harm -- he is the direct representative of the maker, and whatever he does comes back squarely to the maker. But the independent dealer is just as important as the selling agent. If a dealer misrepresents, no legal liability attaches to the manufacturer; but the avoidance of mere legal liability is not the modern way of doing business. The new doctrine is: 'Nothing is sold until it is well sold.' Bear in mind this rule: the dealer becomes part of the manufacturing organization, and, although he is not in the same financial relation as an agent; he should be guided, inspired, and rewarded just as an agent is guided, inspired, and rewarded. Only thus can the very best results in ultimate sales and goodwill be achieved.

Help your customer. Help your dealer. The same theme is the marrow of all exceptional companies, large or small. John Willys said, 'I cannot too greatly impress the fact that big business is only the result of hard work in small business -- the elemental facts of small business and of large business are the same.'

The goal of your growing concern should be to capture the dominant position among all competitors in the marketplace. If you follow the sound business principles I outline, if you are innovative both in product and service, and if you build reserves from profits to weather cycles and setbacks, then you can pick off this premier position.

Just as my company has gained market leadership in hard-asset investments by implementing sound strategies, so may your company. You will see this begin when competitors imitate your innovations. They will duplicate your marketing techniques and copy your products. Your competition will react to you. Ray Kroc said, 'My way of fighting the competition is the positive approach. Stress your own strength, emphasize quality, service, cleanliness, and value, and the competition will wear itself out trying to keep up.'

As your volume grows and you capture larger slices of the market, you must be certain your profits keep pace. Mack Hanan advises that 'leadership in profit on sales is the acid test of market preference. It validates the market's value-to-price perception of your product by proving that premium value merits a premium price.'

Mack Hanan also stresses the need to make customers out of the biggest users of your product. He states that, '20 percent of all your customers...contribute up to 80 percent or so of your profitable sales volume. This is a precarious base. It means you must capture all the heavy profit contributors you can persuade to do business with you. Once captured they must be kept. Few in number though they are, they are your growth source. They are not just your market; they are your business. To build it, build them.'

There are three principal marketing strategies to use in a new business: The personal call, the letter, and the telephone call. You should go out among your prospective clients, (or if you buy a small business, your existing clients) introduce yourself and solicit their business. Follow up with a letter. Either go back and see them again or make a telephone solicitation. Get into a pattern of a personal call, a letter, and a phone call.
Jay Abraham elaborates on these strategies. "After doing a mailing to a customer or prospect, follow it up with a low-pressure, information-oriented telemarketing effort (a phone call.)

Tests have proven that telemarketing following any mailing enhances total results by 300% to 1,000%. Let me restate -- 3 to 10 times more sales result if you follow up by phone after mailing a letter.

Telemarketing is a really powerful sales medium for a new company. It's effectively used in cold-calling, but cold-calling is the most difficult job in marketing because consumers have an inherent repugnance for it.

Keep following up tenaciously by phone or by letter with any prospect that comes into your sphere. If someone visits your business, writes you, calls you, -- don't drop the ball. These people are interested in your product or service -- perhaps they're not quite ready to finalize their purchase -- but they're close. By tenaciously following up, you will move them to take action.

Keep calling, writing, calling, writing. Always make certain that every direct or indirect contact you have conveys useful information -- not mere sales hype -- and is effective in logically advancing the selling process to completion. And once you convert those prospects to customers, continue to contact them.

Customers' desires and circumstances constantly change and so do prospects. I bought a small house some years ago and used an interior designer to help me decorate it. I could only afford to do a modest job on half the house, spending about $20,000. I ran out of money, and though the designer knew the house needed a lot more work, she never called again. Had she called me six months later when I had saved $10,000 more, she'd have gotten the living room remodeling job I gave to someone else. Had she called me with a piece of furniture she thought I would like, she'd have sold me the $5,000 sofa I bought from someone else. And had she called me 18 months ago as I was about to move into a new 4,000 square foot home, she would have gotten the $150,000 I spent on decorating.

The point is that people's circumstances keep changing. By merely showing regular interest and continually communicating with old customers and prospects, you increase your chances of a sale.

Use a combination of call/letter/call/letter/call, a sequence that is well-honed to get new customers. Years ago I sold an expensive lead-generating service for companies who sold investments and life insurance -- difficult sales. Our minimum sale was $25,000. The only way I could sell the product was to contact a prospect through a series of seven different calls and letters over an 8 to 12 week period.

If I didn't do all seven -- an introductory letter, followed by an explanatory educational phone call, followed by another letter, followed by another telephone call, all of which imparted product and marketing knowledge that the prospect didn't already possess -- I never closed a sale.

Whenever I worked the system of call/letter/call/letter/call, I never failed to close at least 7% of the people in process in a 60- to 90-day period. I never knew who they would be, but anytime I tried to shortcut or consolidate, sales flopped.
Don't be afraid to try sending somebody seven consecutive letters to see what happens. Make each one a complete sales pitch and give full instructions and a request to order. Keep giving them reasons to avail themselves of your product.

Most people don't put forth a concerted, ongoing effort to sell. They don't persevere, they're not tenacious, they try one time and then give up. If you nurture and purvey a series of overtures, new business will enhance its closure rate many times. Experiment and find out for yourself. I think you will find it worthwhile."

To establish inroads with customers your marketing must master the principles of successful human relations. The primary book on the subject is Dale Carnegie's, "How to Win Friends and Influence People." Although you may have read this book before, it pays to thumb through it again and again. Anyone starting a business or buying a business or a franchise needs to carefully read this volume, clearly understand and apply its lessons.

Here are a few excerpts from Dale Carnegie of the kind of thinking that must permeate your marketing:

"I often went fishing up in Maine during the summer. Personally, I am very fond of strawberries and cream, but I have found that for some strange reason, fish prefer worms. So when I went fishing, I didn't think about what I wanted. I thought about what they wanted. I didn't bait the hook with strawberries and cream. Rather, I dangled a worm or a grasshopper in front of the fish and said: 'Wouldn't you like to have that?'

Why not use the same common sense when fishing for people?

That is what Lloyd George, Great Britain's Prime Minister during World War I, did. When someone asked him how he managed to stay in power after the other wartime leaders -- Wilson, Orlando and Clemenceau -- had been forgotten, he replied that if his staying on top might be attributed to any one thing, it would be to his having learned that it was necessary to bait the hook to suit the fish.

Why talk about what we want? That is childish. Absurd. Of course, you are interested in what you want. You are eternally interested in it. But no one else is. The rest of us are just like you: we are interested in what we want.

So the only way on earth to influence other people is to talk about what they want and show them how to get it.

Harry A. Overstreet in his illuminating book, 'Influencing Human Behavior' said: 'Action springs out of what we fundamentally desire...and the best piece of advice which can be given to would-be persuaders, whether in business, in the home, in the school, in politics, is: First, arouse in the other person an eager want.'

Here is one of the best bits of advice ever given about the fine art of human relationships: 'If there is any one secret of success,' said Henry Ford, 'it lies in the ability to get the other person's point of view and see things from that person's angle as well as from your own.'

That is so good, I want to repeat it: 'If there is any one secret of success, it lies in the ability to get the other person's point of view and see things from that person's angle as well as from your own.'
That is so simple, so obvious, that anyone ought to see the truth of it at a glance; yet 90 percent of the people on this earth ignore it 90 percent of the time.

An example? Look at the letters that come across your desk tomorrow morning, and you will find that most of them violate this important canon of common sense. Take this one, a letter written by the head of the radio department of an advertising agency with offices scattered across the continent. This letter was sent to the managers of local radio stations throughout the country. (I have set down, in brackets, my reactions to each paragraph.)

Mr. John Blank,
Blankville,
Indiana
Dear Mr. Blank:

The __________ company desires to retain its position in advertising agency leadership in the radio field.

(Who cares what your company desires? I am worried about my own problems. The bank is foreclosing the mortgage on my house, the bugs are destroying the hollyhocks, the stock market tumbled yesterday. I missed the eight-fifteen this morning, I wasn't invited to the Jones's dance last night. the doctor tells me I have high blood pressure and neuritis and dandruff. And then what happens? I come down to the office this morning worried, open my mail and here is some little whippersnapper off in New York yapping about what his company wants. Bah! If he only realized what sort of impression his letter makes, he would get out of the advertising business and start manufacturing sheep dip.)

This agency's national advertising accounts were the bulwark of the network. Our subsequent clearances of station time have kept us at the top of agencies year after year.

(You are big and rich and right at the top, are you? So what? I don't give two whoops in Hades if you are as big and General Motors and General Electric and the General Staff of the U.S. Army all combined. If you had as much sense as a half-witted hummingbird, you would realize that I am interested in how big I am -- not how big you are. All this talk about your enormous success makes me feel small and unimportant.)

We desire to service our accounts with the last word on radio station information.

(You desire! You desire. You unmitigated ass. I'm not interested in what you desire or what the President of the United States desires. Let me tell you once and for all that I am interested in what I desire -- and you haven't said a word about that yet in this absurd letter of yours.)

The world is full of people who are grabbing and self-seeking. So the rare individual who unselfishly tries to serve others has an enormous advantage. He has little competition. Owen D. Young, a noted lawyer and one of America's great business leaders, once said: 'People who can put themselves in the place of other people, who can understand the workings of their minds, need never worry about what the future has in store for them.'

You can make more friends in two months by becoming interested in other people than
you can in two years by trying to get other people interested in you.

There is one all-important law of human conduct. If we obey that law, we shall almost never get into trouble. In fact, that law, if obeyed, will bring us countless friends and constant happiness. But the very instant we break the law, we shall get into endless trouble. The law is this: Always make the other person feel important."

**We leave Mr. Carnegie with one last powerful thought from his incredible book:**

"J. Pierpont Morgan observed, in one of his analytical interludes, that a person usually has two reasons for doing a thing: one that sounds good and a real one.

The person himself will think of the real reason. You don’t need to emphasize that. But all of us, being idealists at heart, like to think of motives that sound good. So, in order to change people, appeal to the nobler motives."

**There are numerous other powerful lessons in Carnegie's book that govern successful people-to-people relations. Anyone in sales or management or who meets the public must read and memorize the contents of Carnegie’s masterpiece. This superb book could serve you well as a give-away or premium for your large business accounts.**

**Another important aspect of marketing is integrity. Everything you write or say must be fastidious in its adherence to the truth. James Cook instructs, "Lack of integrity comes in various shades: outright fraud, simple advantage over the customer, ignorance of the law. Whatever the nomenclature of this ethical breakdown, the powerful truth remains that no company can flourish for long if it practices dishonesty. Only totally honest companies will prosper over the long term. I repeat, as long as we have free markets, integrity remains an essential element of success without which corporate growth will be stymied.**

Thomas B. Walker, friend of the legendary railroad entrepreneur, James J. Hill, and lumber millionaire (he owned over 900,000 acres of timber in Minnesota and California), said, 'Not only can a man be honest and grow rich, but it is almost impossible for a man to grow rich unless he is honest. It is honesty, integrity, and uprightness that make people trust you and that attract trade and stimulate business relations.'

We wouldn’t have to dwell on this issue if it weren’t such a problem. Too many new ventures seem to place their own interests ahead of their clients'. And there are many opportunities to cheat customers. The bluntest sort of fraud is the antithesis of service and value. In fact, such shabby acts comprise a sure-fire formula for failure. If you practice these crimes, you will ultimately flop and probably be imprisoned as well.

Most dishonesty in business is petty and never attracts the law. This level of chicanery, quite commonplace, involves no more than taking simple advantage of customers. A friend of many years has a route business wherein he delivers goods to a variety of outlets. He’s always talking about expanding and about big deals that are pending. Nevertheless, his business is at about the same level it was twenty years ago. Why? He takes sneaky, piddling advantages of his customers. He nicks them just a little. Instead of giving them extra, he gives them a fraction less. He sees his business with blinders on, for it is always perceived in his terms, never his customers’. Thus, he loses his accounts and never grows in line with his hopes and expectations.

You can fool people or get the best of them only one or two times. After that, they
Invariably catch on. What's worse, hell hath no fury like a person conned. That person will never again do business with that individual or company. So, if people sooner or later always figure out that they've been duped or chiseled and if their reaction is always the same, why would anyone in business follow such a policy? Stupidity! What other label can be affixed to a procedure that guarantees the permanent loss of business and customers?

Bernard H. Kroger, founder of the Kroger Food Chain, commented, 'The more I saw of people, the clearer became my realization that they could not be fooled! How I served a customer had something to do with why she bought. Price and appearance had something to do with it. These made a first sale. But what made re-sales was the satisfaction found in the article itself when put to use. If that failed, all failed, and the customer was lost.'

If you ever wonder why many small businesses stay small, why they sputter, plug along, and never grow or flourish, you know the reason. The proprietor insists on outfoxing or swindling the customers.

Andrew Carnegie, the wealthiest entrepreneur who ever lived, wrote, 'A great business is seldom if ever built up, except on lines of the strictest integrity. A reputation for 'cuteness' and sharp dealing is fatal in great affairs. Not the letter of the law, but the spirit, must be the rule. It is essential to permanent success that a house should obtain a reputation for being governed by what is fair rather than what is merely legal. A rule which we adopted and adhered to has given greater returns than one would believe possible, namely: always give the other party the benefit of the doubt.'

Ross Perot, founder of Electronic Data Systems, attributed to his father this important guiding principle, 'He taught me as a small boy that buying cotton from a man once had very little value unless you developed a personal relationship with him, unless you treated him fairly, unless he trusted you. Otherwise he won't come back to you next year.'

Business dishonesty takes other forms as well. When my company decided to broaden its line of wood-burning stoves, we took our drawings to a small metals manufacturer. He studied the plans and within a few days we agreed on price, quantity, and delivery dates. He became intensely interested as well as enthusiastic about the wood-stove business.

Much to our chagrin, he failed to deliver our stoves on the targeted date -- he had simply lied to get our order. When we finally got the first units, they had been made with cheaper material than our specs had called for. While we hassled with him on this issue, he tried to raise the price on the units to a point well above his bid. Finally, the whole project bogged down in recurring rounds of delayed delivery, faulty product, and incessant bickering over price.

The climax came when our conniving manufacturer decided to bypass us. He made an insignificant design change in our stoves and started selling them himself. He had lied to us, cheated us, and finally wound up stealing from us.

Not that his stove venture ever amounted to anything -- it didn't he managed only to burn off a good customer and further ensure that he would remain a marginal conniver. And so it goes with any firms that follow dishonorable practices. If you make and sell inferior, shoddy, or worthless merchandise, you will eventually fail. If you make bogus
claims or false warranties and put out misleading hype for your product or service, the scam you disguise as a business will inevitably collapse.

Not a single company listed in the Fortune 500 (America's largest enterprises) cheats or bamboozles its customers. Companies get big because they practice honesty. Without it, no company can benefit from referrals, one of the truly great well-springs of business success. This priceless corporate asset cannot be purchased. It can only be earned. It comes to you from 'word of mouth.'

Before a consumer buys a product for the first time, some unbiased source has generally conveyed satisfaction with the product. Way back in the beginning, Henry Ford captured market share because people told others about the reliability of his cars. Before people go to a movie or out to eat at a new restaurant, they tend to rely on word of mouth. Products, services and companies alike are judged by these influential verbal verdicts.

People like to be in the know, abreast of trends, and on top of new events. Further, they enjoy dispensing these insights to others. They love to give advice and will always rush to help or aid others with information.

If it seems I am belaboring this simple truth, it is because word of mouth is so critical to start-up ventures. This is especially true for anything new, where every satisfied customer becomes a salesperson. This indispensable asset far exceeds the benefits from any other form of advertising or promotion. When companies mistreat or short customers, they beat themselves out of their most powerful helper. Unless you can unleash an avalanche of positive word of mouth, you will never advance beyond middling success and stagnation.

Stanley Marcus was instructed in the entrepreneurial skills by his father, one of the founders of Neiman-Marcus. The young Marcus built the company into a prominent, high-quality chain based on lessons that extended beyond the realm of conventional customer service and integrity. He recounts,

Somewhat aghast at a few of the unreasonable complaints and demands which I encountered in my first years in the business, I asked my father, 'How can we afford to replace a garment which the customer has clearly abused?' I was referring to a handmade lace ball gown a customer returned after one wearing. 'She should have known it was fragile.' My father replied, 'Yes, she should have, but since this is the first fine garment she's ever bought, she didn't. Explain to her that we will replace it, and tactfully call her attention to the fact that a delicate handmade lace will wear less well than a coarser machine-made lace. She'll know better next time.' Unconvinced, I asked, 'How can we afford to take such a loss? The manufacturer won't assume any of the cost.' He replied very patiently, 'She's not doing business with the manufacturer, she's doing business with us. It costs us over $200 to get a new customer of this woman's buying potential, and I'm not going to lose her for the $175 this dress cost us.' And then he added, 'When you tell her, do it with a smile.' Over the years, this woman spent over $500,000 with us. I had learned one of the most important lessons in my retail career.

Word spread quickly, and within a year of its opening the store had built a clientele of satisfied customers who spread the news of this unique store to all of their friends in the
Napoleon Hill tells a similar story of another great merchant.

Marshall Field was probably the leading merchant of his time, and the great Field store, in Chicago, stands today as a monument to his ability....

A customer purchased an expensive lace waist (blouse) at the Field store, but did not wear it. Two years later she gave it to her niece as a wedding present. The niece quietly returned the waist to the Field store and exchanged it for other merchandise, despite the fact that it had been out for more than two years and was then out of style.

Not only did the Field store take back the waist, but what is of more importance it did so without argument!

Of course there was no obligation, moral or legal, on the part of the store to accept the return of the waist at that late date, which makes the transaction all the more significant.

The waist was originally priced at fifty dollars, and of course it had to be thrown on the bargain counter and sold for whatever it would bring, but the keen student of human nature will understand that the Field store not only did not lose anything on the waist, but it actually profited by the transaction to an extent that cannot be measured in mere dollars.

The woman who returned the waist knew that she was not entitled to a rebate; therefore, when the store gave her that to which she was not entitled the transaction won her as a permanent customer. But the effect of the transaction did not end here; it only began; for this woman spread the news of the 'fair treatment' she had received at the Field store, far and near. It was the talk of the women of her set for many days, and the Field store received more advertising from the transaction than it could have purchased in any other way with ten times the value of the waist.

Without integrity, no company can have positive word of mouth. Nobody brags about getting cheated. Worthwhile, lasting results come from honest entrepreneurs. The balance are second-raters.

Furthermore, it is far easier to stay straight than not. The wrath of buyers of worthless wares brings ulcers, legal fees, reporters, and painful financial setbacks. Nevertheless, four-flushers and lying promoters abound.

It seems that many in business lack the ability to distinguish clearly between right and wrong. They are so attuned to their own self-interest that the use of unsavory means does not appear wrong to them. What counts is that they get the sale or the order. Their commission or profit justifies exaggerated claims or outright lies. They rationalize that the customer needs or will benefit so greatly from their product or service that the truth can be doctored.
You should make no unwarranted claims, dubious promises, or predictions. You must never publish or speak any misleading information. All facts, good or bad, should be fully disclosed and your positive claims must be offset by any potential negatives.

Typical entrepreneurs starting a new venture have a tendency to embellish the truth about the merits of their products or services but would be astonished were anyone to point an accusatory finger. As we have mentioned, these wrongdoings are rationalized away by self-serving motives.

Understandably, those starting out are under tremendous pressure. They often have blinders on and can easily compromise ethics for short-term survival.

That's the problem. It is almost impossible to make these particular transgressors see their shortcomings. Suffice it to say that in a new venture you are, at the very least, likely to overstate your case greatly. Unfortunately, one thing leads to another and in time fibs can become felonies.

Whether or not you see yourself as a pillar of virtue, heed the following advice religiously: Get into the habit of understating your claims and promotions. Diminish your assertions. Cross-check all ad copy and sales pitches against the truth. Fastidiously monitor yourself and your employees for anything that smacks of dishonesty. Until you truly understand that the fanatical application of unswerving integrity (which you are not likely to be practicing) gloriously compliments all new ventures, you can never excel."
MOTIVATIONAL MARKETING

Chapter 5

To be a world class marketer takes more than the breakthrough marketing ideas you will find in this book. It also requires a mental state that can best be described as positive, dedicated and creative. Success requires strong desire, faith, imagination and persistence. Great success never comes overnight. Your first marketing attempts (and even some your later ones) will be disappointments. Naturally, you must go on, despite these setbacks, with the clear understanding that your failures act as stepping stones of experience which hasten you to ultimate success.

You need to embrace an underlying philosophy of success which gives you a definite path to follow and guidelines that help you to reach your goals. The great philosopher of success, Napoleon Hill, wrote,

"Make up your mind what you desire of life, decide to get just that, without substitutes, and lo! you will have taken possession of one of the most priceless of all assets available to human beings.

But your desire must be no mere wish or hope!

It must be a burning desire, and it must become so definitely an obsesssional desire that you are willing to pay whatever price its attainment may cost. The price may be much or it may be little, but you must condition your mind to pay it, regardless of what the cost may be.

The moment you choose your Definite Major Purpose in life you will observe a strange circumstance, consisting in the fact that ways and means of attaining that purpose will begin immediately to reveal themselves to you.

Opportunities you had not expected will be placed in your way.

The cooperation of others will become available to you, and friends will appear as if by a stroke of magic. Your fears and doubts will begin to disappear and self-reliance will take their place.

This may seem, to the uninitiated, a fantastic promise, but not so to the man who has done away with indecision and has chosen a definite goal in life. I speak not from the observation of other men alone, but from my own personal experience. I have transformed myself from a dismal failure to a successful man, and I have therefore earned the right to give you this assurance of what you may expect if you follow the road-map provided by this philosophy."

Who exactly was Napoleon Hill? James Cook tells us.

"One day in 1908, the richest man in the world invited a young man into his office and offered him the greater part of his vast fortune. It was not cash, however, that he offered. He proposed to instruct the young man on the manner and method in which to accumulate such a fortune for himself."
He explained that great success, fortune, and fame could be enjoyed by anyone willing to follow a specific formula. In fact, he vowed that no one could achieve great success without practicing this formula.

The wealthy man was no less than the legendary steel magnate, Andrew Carnegie. In 1901, the respected Carnegie had packaged his interests into one company and sold his shares to the public. The result was the formation of U.S. Steel and a $390 million windfall to Carnegie.

The younger man was Napoleon Hill, a writer and college student. His interview with Carnegie extended far beyond the allotted time. Carnegie explained the rudiments of his philosophy, formed from his experience as the world's most successful entrepreneur. He proposed that Hill take his ideas and reinforce them with the thoughts and experiences of hundreds of other successful entrepreneurs, each of whom Hill was to interview extensively. Eventually, the young man was to write a book on the results.

Carnegie offered little or no financial inducement. He promised only to open doors for Hill's interviews. The whole process was to take twenty or more years. To understand his success formula, Carnegie knew that Hill must share the experiences that all successful entrepreneurs have known. He must learn the philosophy by succeeding himself. Hill chose to accept the challenge.

Over the next two decades, he went about the arduous task of analyzing hundreds of successful men. Among these were Thomas Edison, Henry Ford, James J. Hill, Harvey Firestone, Luther Burbank, and Clarence Darrow. From this experience, he was able to articulate the success formula used by those who gained great wealth and achievement.

Through the 1930s and 1940s, Hill published a number of books. All were big sellers. The greatest of these volumes, 'Think and Grow Rich,' ensured Hill's success and gave him financial independence. Through two decades of struggle Hill had also learned the lessons of lasting accomplishment.

Napoleon Hill was the first person to formulate a success philosophy that offered concrete guidelines to entrepreneurs and others seeking noteworthy achievements.

Since Hill's initial formula was articulated, various authors have published a host of other success and self-help books. Their contributions notwithstanding, the greatest of these books remains Hill's.

Original ideas, services, and products are generally copied and imitated. Sometimes we forget to contrast the remarkable difference between what went into an original and the far easier task facing an imitator.

Hill fathered the self-help, motivation, and success industry. The dimension of his thought and the power of his writing entitle him to noteworthy credit.

Napoleon Hill wrote about, learned from, and existed alongside a group of entrepreneurs who dramatically advanced civilization. Their towering accomplishments are prodigious enough to designate their era a golden age. Not since the time of Pericles has such a brief span of years proved so fruitful to mankind.

Napoleon Hill distilled the elements of human progress and added powerful truths to our stock of wisdom. His words are immortal, his message timeless.
Napoleon Hill discovered from his interviews a simple truth that is not only the core premise of self-help and motivation, but an acknowledged fact in the science of human behavior. Human beings are what they think they are. Our self-image guides our conduct. You can be only what you think you can be.

The next step for Hill was to formulate methods that alter, in a positive way, the dominating thoughts people hold in their minds. For the entrepreneur, this means the establishment of an idea, plan, or purpose to be arrived at by concentrating on your desires. The first step is to know exactly what you want -- a step that ninety-eight out of a hundred people never bother to articulate beyond an occasional daydream.

If you want something badly enough and you enhance that desire by holding it in your mind in a variety of ways outlined by Hill, you will 'cloak that desire in the physical equivalent.' If desire becomes great enough, it will subtly change your perception of what you can do, and it will motivate you to proceed toward your goal. 'Everything man creates or acquires begins in the form of desire.'

Your thoughts control your actions, according to Hill. Therefore, you must learn to direct your thoughts in a positive and productive way. Hill postulated in 'Think and Grow Rich' that it is no more difficult to aim high in life and achieve prosperity than it is to accept and live with poverty and misery.

He stressed that most people never do more than scratch the surface of their potential. To convince his readers, he penned these words: 'Somewhere in your make-up there lies sleeping, the seed of achievement which, if aroused and put into action, would carry you to heights, such as you may never have hoped to attain.'

Hill explains the knowledge available through the cooperation of others, the famous Master Mind Principle, defined as a 'coordination of knowledge and effort, in a spirit of harmony, between two or more people.' All successful men and women have availed themselves of the advice and cooperation of other people who contribute their own store of knowledge and experience. Beyond that, Hill advances this powerful hypothesis: 'No two minds ever come together without, thereby, creating a third, invisible, intangible force which may be likened to a third mind.'

Another cornerstone of Hill's formula is the importance of persistence. He teaches an infallible lesson on how to become persistent and how to overcome failures: 'Remember that all who succeed in life get off to a bad start, and pass through many heartbreaking struggles before they 'arrive'.

He set down one of life's greatest truths, 'Every adversity, every failure and every heartache carries with it the seed of an equivalent or a greater benefit.' To Hill, persistence was to human character 'what carbon is to steel.' Without it, you are doomed to failure; with it literally nothing can stand in your way.

Napoleon Hill spoke of faith as a state of mind that can be induced through the encouragement of positive emotions and the application of self-suggestion. Faith is a key ingredient and starting point in the accumulation of all riches. He counseled faith in yourself, faith in the future, faith in the infinite.

When I first read Hill's admonition to have faith in the infinite, it disturbed my rationalist soul. I had lifted Bertrand Russell's opinions to the forefront of my self-directed educational inquiry. It was Russell who defined faith as, 'the belief in something for
which there is no evidence.'

For all of Russell's skepticism, both he and Hill held many views that were not incompatible. Like Russell, Hill also deplored the so-called faith of religious doctrines that relied on fear to instruct or punish.

The culmination of my understanding of Hill's philosophy came only with my own reliance on the intangible. Gripped with anxiety because of the looming collapse of my ten-year-old empire, I had no choice. There was no saving action to be taken, no concrete steps to be implemented. I had tried them all and they had failed.

There was no other relief from the tremendous pressure, no other escape from the pain, no other way to sleep at night. Faith -- in myself, in the future, in the infinite. No fancy doctrines or tortuous dogma, just a simple and firmly held belief that all would be well. And so it was.

Aside from Think and Grow Rich' Napoleon Hill wrote two other books which entrepreneurs are advised to read to augment their understanding of his success philosophy. 'The Master-Key to Riches' and 'Grow Rich! With Peace of Mind' were both published in the 1940s, completing an indispensable trilogy for entrepreneurs and anyone else wishing to explore the rules and requirements of success. Nothing else that I know of can help you get through the difficult times that cause so many hopeful entrepreneurs to give up and quit.

From the first day of your new venture, you will be whipsawed by petty doubts and fears. At times black circumstance will escalate these anxieties into moments of real terror. Then you will want to flee, to recapture the simple security of your past.

When you are on the verge of such a decision, when the money is gone, when your ideas draw brutal rejection, when your credit cards are canceled and the snarling bill collectors sap your will, when the sound of a ringing telephone claws at your guts, when you cannot see the possibility of ever making your deal work -- then you must do one thing.

Turn to one of Hill's books and read until the gloom fades. There you will find a spark of strength to bring you through the bleakest moments. You must do this faithfully whenever you begin to fold. Before you quit, before you walk away, before you seek the relief that seems so alluring. you must turn to his pages one more time and read.

If you have read this far, you know that I have offered many ideas to you. You may embrace what you wish. In return, I ask one small favor of you. On the day you make the final decision to return to the old ways, before you end whatever it is that you started, turn to those pages of Hill's that I have advanced so ardently -- and read."

Your marketing ideas must be nurtured and integrated into the blueprint of your future. Hill tells us:

"It is a well known fact that ideas are the only assets which have no fixed values. It is equally well known that ideas are the beginning of all achievements.

Ideas form the foundation of all fortunes, the starting point of all inventions. They have mastered the air above us and the waters of the oceans around us; they have enabled us to harness and use the invisible energies of the universe.
All ideas begin as the result of Definiteness of Purpose.

The phonograph was nothing but an abstract idea until Edison organized it through definiteness of purpose, and submitted it to the subconscious portion of his brain where it was projected into the great reservoir of Infinite Intelligence, from which a workable plan was flashed back to him. And this workable plan he translated into a machine which worked.

The philosophy of individual achievement began as an idea in the mind of Andrew Carnegie. He backed his idea with definiteness of purpose, and now the philosophy is available for the benefit of millions of people throughout the civilized world.

Moreover, his idea has more than an average chance of becoming one of the great leavening forces of the world, for it is now being used by an ever increasing multitude of people as a means of guiding them through a world of frenzied hysteria.

The great North American continent known as the 'New World' was discovered and brought under the influence of civilization as the result of an idea which was born in the mind of an humble sailor and backed by definiteness of purpose. And the time is at hand when that idea, born more than four hundred years ago, may lift our nation to a position where it will become the most enlightened frontier of civilization.

Any idea that is held in the mind, emphasized, feared or reverenced, begins at once to clothe itself in the most convenient and appropriate physical form that is available.

That which men believe, talk about, and fear, whether it be good or bad, has a very definite way of making its appearance in one form or another. Let those who are struggling to free themselves from the limitations of poverty and misery not forget this great truth, for it applies to an individual just as it does to a nation of people.

So much of what we accomplish in business and in our marketing success hinges on our mental attitude. Hill explains:

'The mind of man is far more wonderful than any machine. Within it, however, there seems to be a kind of 'Yes-No' valve at the focal point of thinking. It is as though your awareness of a circumstance of life -- sent to your brain by your sight, hearing and other senses -- presents itself at the 'Yes-No' point to be processed. A person who maintains a positive attitude will find every possible 'Yes' in that circumstance and make it part of his life. A person who maintains a negative mental attitude will lean toward the 'No' side, miss much that is good, live with much that is painful and damaging.

Nothing but a mental attitude? Nothing but a mental attitude, but it is right there that your success or your failure, your peace of mind or your nervous tension, your tendency toward good health or your tendency toward illness begins.

Fortunately it is possible for anyone to make the change from negativism to positivism, and thus basically condition his brain to bring all that is good in life. Moreover, there are certain 'control levers' which the Creator makes available to us, and it is easy to see how successful people use these levers, once you know what they are.

Control your mental attitude with definiteness of purpose. Emerson said: 'The world makes way for a man who knows where he is going.'
Think what it means to know where you are going! Automatically you rid yourself of all kinds of fears and doubts which may have crept into the making-up-your-mind process. Your purpose is definite and -- presto! -- all the limitless forces of your mind focus upon that purpose and no other. Knowing your purpose, you cannot be led astray by circumstances or words which have nothing to do with your purpose. Where, before, a day's work may have contained a good deal of wasted motion, now your efforts are lined up so that each mental or physical motion helps every other motion.

You can see the connection with building wealth, for work done well is a basic wealth-builder. Now see the connection with peace of mind. A man who works wholeheartedly at his job is not concerned with such matters as finding fault with others, disturbing his conscience by cutting corners in his work, watching the clock and so forth. Nor will he be discouraged by any obstacles which may crop up; his positive and focused mental attitude keeps him in a prime position to handle problems and overcome them.

Is this a secret of 'genius?' I have mentioned that many eminently successful men do not possess any greater intelligence than most other men possess. Yet their achievements are such that we may say that these men have 'genius.' Surely it is the positive mental attitude of these men which makes their brain-power, not greater, but more efficient and more available than most others'. When I spoke to such men as Henry Ford, Andrew Carnegie and Thomas A. Edison, I spoke with minds free of any fear or doubt that they could do anything they wished to do.

I know that Andrew Carnegie was well aware of the need for a positive mental attitude. Before he undertook to back me in my success, he really put me 'on the spot' as to my mental attitude.

Looking at me shrewdly across his desk, that canny Scot said: 'We've talked a long time and I have shown you the greatest opportunity a young man ever had to become famous, rich and useful. Now -- if I choose you out of the two hundred and forty other applicants for this job -- if I introduce you to the outstandingly successful men in America -- if I help you get their collaboration in finding out the true philosophy of success -- will you devote twenty years to the job, earning your own living as you go along? We have had sufficient discussion. I want your answer -- yes or no.'

I began to think of all the obstacles that would stand in my way. I began to think of all the hurdles I would have to jump. I began to think of all the time I would have to spend, and the big job of writing, and the problem of earning my living all that while -- and so forth.

I spent twenty-nine seconds struggling with a negative mental attitude which, had it overcome me, would have affected me negatively ever after.

How do I know I took just twenty-nine seconds? Because, when I found the positive mental attitude which I had lost temporarily, and said 'Yes!' -- Mr. Carnegie showed me the stopwatch he had been holding beneath his desk. He had given me just one minute in which to show my positive state of mind -- otherwise, he felt, he would not have been able to depend on it. I had beaten the deadline by just thirty-one seconds, and thereby embraced an opportunity that was destined to change and improve the lives of millions of people, including my own.'

From time to time in your marketing ventures, you will suffer setbacks and problems which will sap your spirit. If you are a pioneer or trailblazer you will suffer
greatly. If you become a creative genius (well within your power) you will have known great adversity on your journey to success. Even the owners of modest business establishments will suffer periods of doubt, anxiety and fear. It is these times when Hill’s philosophy of success can be fallen back upon to succor you and give you the strength to continue.

"Those who have cultivated the habit of persistence seem to enjoy insurance against failure. No matter how many times they are defeated, they finally arrive up toward the top of the ladder. Sometimes it appears that there is a hidden guide whose duty is to test men through all sorts of discouraging experiences. Those who pick themselves up after defeat and keep on trying, arrive; and the world cries, 'Bravo! I knew you could do it!' The hidden guide lets no one enjoy great achievement without passing the persistence test. Those who can’t take it simply do not make the grade.

Those who can 'take it' are bountifully rewarded for their persistence. They receive, as their compensation, whatever goal they are pursuing. That is not all! They receive something infinitely more important than material compensation -- the knowledge that 'every failure brings with it the seed of an equivalent advantage.'

There are exceptions to this rule: a few people know from experience the soundness of persistence. They are the ones who have not accepted defeat as being anything more than temporary. They are the ones whose desires are so persistently applied that defeat is finally changed into victory. We who stand on the side-lines of life see the overwhelmingly large number who go down in defeat, never to rise again. We see the few who take the punishment of defeat as an urge to greater effort. These, fortunately, never learn to accept life’s reverse gear. But what we do not see, what most of us never suspect of existing, is the silent but irresistible power which comes to the rescue of those who fight on in the face of discouragement. If we speak of this power at all we call it persistence, and let it go at that. One thing we all know, if one does not possess persistence, one does not achieve noteworthy success in any calling.

Lack of persistence is one of the major causes of failure. Moreover, experience with thousands of people has proved that lack of persistence is a weakness common to the majority of men. It is a weakness which may be overcome by effort. The ease with which lack of persistence may be conquered will depend entirely upon the intensity of one’s desire.

The starting point of all achievement is desire. Keep this constantly in mind. Weak desires bring weak results, just as a small amount of fire makes a small amount of heat. If you find yourself lacking in persistence, this weakness may be remedied by building a stronger fire under your desires."

Hill’s books are timeless, they are available in paperback at most book stores.
Jay Abraham places great emphasis on a bedrock statement of your company philosophy.

"Your Unique Selling Proposition is that distinct, appealing idea that sets your business apart from every other 'me too' competitor.

Your entire marketing and operational success should be built upon your Unique Selling Proposition. Your USP may touch any part of the marketing gamut -- price, service, quality, or exclusivity.

There are many kinds of USP successes:

* Some companies position themselves as having the best selection or broadest array of buying options. Their USP is 'broad choice.'

* Other companies may offer more limited selection, but their USP is 'low price' or 'low markup.'

* Another company may decide they don't want to be known for just price or selection, so instead they offer the finest quality at a higher, but still reasonable price. Quality or exclusivity -- even snob appeal -- is its USP.

* Still, another firm may offer a product at reasonable prices, but their distinct selling appeal is that they offer better service, assistance, or installation help.

The possibilities for building a USP are unlimited. It's best, however, to adopt a USP that dynamically addresses an obvious void in the marketplace that you can fill. Beware though: It's counterproductive to adopt a USP if you cannot fulfill the promise.

Before recommending some USPs, let me describe a curious phenomenon. When you ask a business owner to articulate clearly and concisely in one paragraph or less, his or her USP most business owners have no answer. Why? Because they've never thought through or offered a Unique Selling Proposition. Most of them have no USP, only a 'me too,' rudderless, nondescript, business that feeds solely upon the momentum of the marketplace. There's nothing unique; there's nothing distinct. They promise no great value, benefit, or service -- just 'buy from us' for no justifiable reason.

It's no surprise that most businesses, lacking a USP, merely get by. Their failure rate is high, their owners are apathetic, and they get only a small share of the potential business. But other than a convenient location, why should they get much patronage if they fail to offer any appealing promise, unique feature, or special service? Customers expect special consideration and regard in exchange for their business.

Would you want to patronize a firm that's just 'there,' with no unique benefit, no incredible prices or selection, no especially comforting counsel, service, or guarantee?
And he says he can afford to sell for low markups...

...Our Little Lot in the Country Costs Us Nothing

My Dad bought it for cash 35 years ago. Our electric bill seems high to me (it runs about $428 a month). I have 35 employees -- two are salaried salespeople, three are office clerks, five are family, and the rest are service people who work six-day weeks to serve your needs. If I make a little more than $100 a car, I do really well. ABC Dealer has to make at least $900 profit per car or he can't pay his bills. Who do you want to buy your next new car from?

Or...

When a Dealer Buys Widgets from the Factory, He Gets a 10% Discount for Buying a Dozen, a 20% Discount for Buying a Gross, and a 50% Discount For Buying 500

We buy widgets in minimum lots of 10,000 units, so our cost is about 20% less than any other dealer. Then, we mark them up only 25% over our cost.

Where would you rather buy your widget? From the guy who buys them in dozen-unit lots, then doubles the price, or from us?

Now, extend the price-discount USP headline and subhead into the body copy of the ad:

A lot of companies sell widgets, some with a big markup, others for less. The average industry markup is 225%. That means a widget that costs the dealer $100 costs you $325.

The typical 'discount' dealer marks up his widgets 170%, so the widget that costs you $325 at the full-markup dealer costs you $275 at the discount dealer.

We buy more widgets at better prices than any other dealer in town.

We mark up our widgets a mere 50%. The same widget that costs you $325 at the full-markup dealer, or $275 at the discount dealer, costs you only $150 at our company.

The Service-Oriented USP

Here are ideas for a service USP approach:

When You Buy a Widget from Every Other Dealer in Town, You Get a 'Limited' 12-Month Warranty. When You Buy That Widget from Us, You Get a Lifetime, 'Unlimited' Warranty With Service Guaranteed Within 24 Hours, and a
Loaner Furnished Free. Plus,
We Make House Calls

Or...

When You Buy a Book from B. Dalton or
Waldenbooks, You Own That Book
Whether You Like it or Not

When you buy a book from us, you have a 90-day, 100% money-back
guarantee, in case it's not what the critics said. You get credits toward
any other book, magazine, or reference publication we sell for every
book you buy and keep.

Or...

Most Tree Trimmers Charge You $100 or
More for Every Call. And Your Trees and
Shrubs Should Be Trimmed at Least
Three Times a Year

ABC Tree Trimmers will trim and maintain your trees and shrubs six
times a year -- once every two months -- and all it costs you is $16 a
month, billed quarterly.

Or, another possibility is...

Whenever It Snows, We'll Be Out
Within 24 Hours to Clean Your
Driveway and Walk -- Free

...Just another added benefit of placing your home-owner's policy with
XYZ Agency.

Or...

Most Restaurants Charge Separately for
Appetizers and Dessert, and the Wine's
Always Extra

At Chez Abraham you always get your choice of giant prawns, caviar,
or pate -- free. And, a bottle of French champagne is included with my
compliments. Oh, yes, -- we also include your choice of Cherries
Jubilee or Baked Alaska.

Or, another option is...

Most Computer Companies Sell You a
Computer, Then Walk Away, Leaving
You with a High-Tech Paperweight

We give you an on-site training program, plus a Saturday session for all
your staff. We also double the normal warranty period and provide a

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loaner if your unit breaks down within the warranty period. If it breaks down after the warranty period, we rent you a computer for just $100 a day, and do the repair free.

Oh, yes, we also offer for your benefit, a 45-day trial period before you lock yourself into your brand new purchase.

Or...

Office Cleaning is a Pretty Unimportant Subject -- Until You Add Up How Much It Costs You Annually

We clean your office every night -- sweep, mop, dust, vacuum, polish, replace tissue -- all for just a dime a square foot.

Plus, we throw in carpet cleaning, window washing, upholstery shampooing, and pest control once a quarter -- free! We also include 24-hour emergency cleanup on weekends or early mornings after you've worked late -- and if it's a genuine emergency, we'll be glad to do that free.

The Quality/Snob-Appeal USP

How about the quality/executive USP? Here are a few interesting headline and body copy possibilities:

Only 1,200 XYZ Deluxe Widgets Are Produced Annually

Nine hundred stay in Europe, where they originate. Of the remaining 300, 50 go to Japan. Of the remaining 250, 100 go to South American and Australia.

Each year, only 150 come into the United States. Of that 150, only 25 are sent to California -- and WE’VE GOT 18 OF THEM.

We’ll offer them at very fair prices to our best customers as long as they last.

Or, here’s yet another possibility...

The Framework of the ABC Custom-Designed Sofa is Fused Together With 7/8-Inch Thick Dowels

It’s then epoxy-melded with a graphite compound tested to a strength tolerance of over 12,000 pounds of force. It’s designed to firmly support the sofa for at least 50 years.

The fabric is handmade by craftsmen in a family-owned mill, where they still weave fabrics the way they did 100 years ago. Each yard of fabric contains 5,680 feet (over a mile) of silk and nylon threads, and
patterns are intricately worked into the fabric with artistic precision -- one strand at a time. Embossing is meticulously supervised by the same ruthless perfectionist who oversaw the creation of the magnificent fabric that adorns the sofa in the reception area just outside the White House's Oval Office.

This factory produces only 4,500 yards of handwoven, hand-embroidered, hand-inspected, quadruple-lined and finished fabric each year -- only enough material to cover 85 sofas in an entire year. We have secured the entire production of the factory for the month of May, and we are accepting inquiries regarding our custom-designed, custom-covered sofa. But, please, don't ever call us unless you can wait patiently for three months, can afford the best, and can appreciate a genuine, one-of-a-kind work of historic art.

Or...

Mass-Marketed Health Clubs Have
10,000 Members All Jostling Between
6 and 9 p.m. to Use Five Nautilus
Machines, or All Trying to Squeeze into the
Sauna or Jacuzzi at the Same Time

At Club Elegance, total membership is strictly limited to 565 families. We have four times as many Nautilus machines as a typical, mass-membership health club.

We also have 48-circuit Universal equipment, plus 10 Lifecycles; a beautiful, carpeted, climate-controlled, refreshingly clean gym; a free weight course; both a wet and dry Argus (top of the line) Sauna chamber; full-time Swedish masseuse and masseur; an intimate private restaurant that seats only 25 people, and continental breakfasts of low-calorie, freshly baked croissants with homemade berry preserves.

Membership is $5,000 a year, with monthly dues of $100. Only 50 memberships remain; the other 515 have already been filled. You must be recommended by at least five current members to be eligible to join. If seriously interested, contact John J. Johnson, Director of Membership, at 123-4567.

Reinforcement

By now you should have the general idea that you should carefully integrate your newly adopted USP into the headline and body copy of every ad you run, and in every direct-mail piece you send out.

But integrating your USP into just your ads and mailing pieces is not enough. You must integrate it into every form of your marketing.

When your salespeople call on prospects, everything they say should clearly reinforce your USP. They should explain the USP to the customer in a clear, concise statement. For example:
'Hello, Mr. Prospect. I know your time is short, so I'll get right to the point. Your company manufactures widgets. You buy steel and copper from a competitor. You're currently paying $100 a ton and steel and $75 a ton for copper of which you waste roughly 25%.

'My firm will sell you a higher grade steel and a higher alloy copper for $95 and $69 a ton, respectively -- freight prepaid, which saves you an extra $3 a ton. Plus, we'll guarantee our metal will produce a waste factor of 15% or less, and we'll replace any wasted overage -- free.

'One last point, Mr. Prospect. It could be important. We'll furnish you with 50, #20 gauge titanium rivets and cap assemblies free with every 10 tons of steel you order this month. May I have your order?'

Or...

'Hello, John. I've got something profitable and exciting to tell you -- a significant development that could have a big bearing on how you protect your home and family.

'For every home security system we sell that includes a full-alert monitoring computer -- we'll provide the first year of monitoring (regularly $30 a month) free. Plus, we'll add home smoke detectors and swimming pool monitoring as another bonus. Most companies charge an additional $1,000 to $1,500 for these options. We're furnishing them as a bonus because once you try us, we know you will continue using our monitoring service for years to come.'

Throughout the sales pitch, your salespersons should refer to the USP benefits or advantages, showing the prospect why it's vastly superior to take advantage of your USP rather than your competitor's USP, if he even has one.

Don't try and merely have your salespeople 'wing it.' Insist that they do their homework. Make them sit down (figuratively speaking) and express the essence of your USP. Be sure they can clearly and powerfully express your USP in 60 seconds (the oral equivalent of a written paragraph), and then compellingly state how it benefits the prospect. Furnish your prospects with plenty of examples of how you honestly deliver your USP.

Your customers and prospects must be repeatedly informed of your USP -- why it is important to them, how you render that USP, and why it's so unique. Your salespeople must clearly and precisely express your USP at the beginning of any sales call and how it is rendered. They must also explain why it's important.

When an old, tired company or profession adopts a powerful, new, and appealing USP, it gives new life, new excitement, new interest, and new appeal to the marketing plan. You're suddenly different. Now you're on the customer's side. You're its advocate, championing whatever advantage your firm's USP can offer them. It's exciting and appealing to customers, as well as to your company.

FINDING YOUR NICHE

Think about your own past buying experience in light of the USP examples I gave you earlier. When you are in the market for a product or service, wouldn't you tend to favor any business that strongly presents one of the basic forms of USPs I've addressed? Of
course you would!

However, remember this axiom: You will not appeal to everybody. In fact, certain USPs are designed to appeal to only one segment of a market. There is a vast gulf between the upscale clients and the bargain seekers, and you probably can’t reach them both. Which do you want to stake out as your market niche?

Don’t forget my earlier advice -- don’t adopt a USP that you can’t deliver. Also, analyze the market potential of various USP positions in terms of volume, profits, and repeat business. Your USP must not only fill a market void, but also result in adequate volume, customers, action, and profit to suit your psychological and financial needs.

If you’re like me -- never satisfied, and constantly searching for new challenges -- you can actually compete against yourself.

There’s no rule that says you can’t, by adopting different USPs, develop different businesses or separate divisions of your business which compete against one another.

For example, you could develop an exclusive and expensive boutique to go after the low-volume, high-profit end of the market, while simultaneously developing a high-volume discount store to go after the mass market. At the same time, you could create a super-duper service to go after people requiring special attention or accommodations.

GET WITH THE PROGRAM

All your in-store clerks, telephone staff, receptionists, customer-service people -- everyone with any public contact or customer interaction, or anyone who makes any decision that impacts your business -- must fully understand, embrace, and believe in your USP. That passionate belief in your USP must become part of every employee.

If your USP is giving advice, assistance, and superior service, it can’t stop with mere sales rhetoric. It must become total company conduct. If someone calls in with a question, the people answering the call must extend themselves. The same goes for every person who interacts with that customer, from the cashier and the delivery person to the service or repairpeople. You and your employees must live, breathe, and act your USP at all times.

To ensure that this commitment operates throughout the company, everyone must fully understand your USP. They must be able to articulate the USP, why it’s important, and how it’s being fulfilled. You must also verify that each employee understands the USP, that they can express it, and show through performance that they see how their job fulfills the USP claim. A bad telephone operator will turn off someone responding to your service-based ads, and a customer looking for assistance and advice will be turned off by a clerk who’s too busy talking to another clerk to wait on them.

This one aspect of the USP is usually overlooked and botched up. You can’t underestimate the importance of getting everyone in your firm to catch the spirit of your USP. Conversely, your ads are irresistible when they project a USP that’s also radiated by every employee. Sit down and write a synopsis of your USP for your staff, how you’re trying to carry it out, and how everyone can project that USP to the world. Make their cooperation a condition of employment.
Don't assume:

1. Everyone on your staff fully understands your USP objective.

2. That they know why it's important for them to act out your USP.

Or,

3. That even if they do understand, they know how to conduct themselves, or how their actions are viewed by your customers.

Talk to your staff, write scripts, hold contests, and reward people who distinguish themselves in promoting your USP. Set an example so your staff can see the USP in action. Most human beings are silently begging to be led -- especially your employees. Teach them how to be perpetual extensions of your USP.

REPEAT SALES AND THE USP

Most businesses depend on repeat or back-end sales of some sort, so it's vitally important to indelibly etch a strong, clear, compelling USP in the minds of your customers after they've bought from you. This way, your distinct advantage and benefits will pop into their heads when it comes time to buy again.

How can you ensure that you are in the hearts and minds of your customers after the sale? Here are a few good approaches: Immediately following the sale -- write, phone, or visit your customers. During this follow-up effort, see that the customers feel important and special, and that their initial purchases are 'resold.' Repeat your USP and remind the customers how it helped them make their purchasing decision.

Reassure customers about their wise decisions, and show how the same USP that served them this time will be there to serve them in the future. Again, state your USP, telling customers why you've adopted it, and why it's such an advantage to them. People rarely understand the benefits you provide them -- unless you carefully educate them to appreciate your efforts on their behalf. Teach the customers why that USP advantage is so much more important than benefits offered by your competitors. Then, again, remind the customers what wise buying decisions they've made -- and attribute their decisions to your firm's USP.

A post-purchase follow-up incorporating the essence of your USP is vital, regardless of how frequently you 'back end' or resell to that customer. You enhance the customer's loyalty and value to your business by following up after the sale. At the very least, a follow-up call, letter, or sales appeal drastically reduces or eliminates cancellations, returns, refunds, complaints, adjustments and disputes, and reassures customers of the prudence of their recent purchase.

Good marketing requires that you give customers rational reasons for their emotional buying decision. There is a formula for success, and the USP, my dear friends, is truly an integral part of that formula.

EXTENDING YOUR USP

Depending on the business, I usually advise my clients to offer frequent special
promotions to their customers by mail, telephone, or in person. Every human wants to feel appreciated and personally acknowledged. By offering your customers genuine, specially priced deals or first choice, you endear yourself to them. At the same time, you enhance your customers' perception of your USP.

Remember the following principles when extending a special offer:

First, the customer should always see the offer as a logical extension of your basic USP.

Second, it must be clearly evident that the special offer is a genuine special value or benefit not offered to new customers.

Third, don't cut corners by not providing a better price or higher quality product, longer guarantee, or added services.

Fourth, don't underestimate the profit potential inherent in these special offers.

When you have a list of customers who have already shown their willingness to spend money on your products or services, it costs very little to go to them with additional special offers.

Remember the basic point -- integrate a powerful Unique Selling Proposition into every aspect of your communication with prospects and customers. Special promotions can amplify your customers' appreciation of your USP.

**ACTIONS SPEAK LOUDER THAN WORDS**

Provide your staff with a clear, simple text for responding to various scenarios. Spot check your customer-service staff's performance to verify that the essence of your USP is carried out and conveyed to all your customers and prospects. How should your customer-service people behave? Certainly, everybody should be extraordinarily courteous, empathetic, genuinely informative, and sincere. Most important of all, they should offer supreme service. Integrate your USP into all customer-service functions. Every contact your staff has with your customers is an opportunity to reinforce with distinct appeal your USP that puts your business above and beyond all of your competitors.

If someone calls to complain about a product or service, it's vital that your customer-service people do much more than take their name, number, and dispatch a serviceperson. They must emphasize on the phone that service is your USP, and that they'll bend over backwards to see that the problem is solved. The customer-service representatives, then, should follow up to ensure that service is performed. They should call the customer after the repairs have been made to convey their concern that your company's USP promise has been fulfilled.

Of course, the service person should be pleasant, positive, sincere, and willing to right any wrong. Afterwards, the customer should get a note from the owner or vice-president.

Anyone in your employ who does not, cannot, or will not promote your USP should be immediately replaced with someone who can and will. Your real wealth comes from repeat or residual business which will only happen if every aspect of your business is a continuous extension of your USP.
You can send a personal thank-you note, letter, or a computer-typed letter. You can send a gift or a gift certificate. You can send items to correspond with holidays: A box of candy on Valentine’s Day; a poinsettia turkey, or ham at Christmas; a birthday card; etc.

If you add up the customer’s value in future business or repeat sales, you can probably justify a sizable investment in his or her goodwill. Everyone likes to be acknowledged and feel they are special.

A card costs about 50 cents, including addressing and postage, if purchased in quantity. Even turkeys or boxes of candy can be sent out pretty cheaply if you send enough of them.

What’s a good dental patient or interior-design customer worth to you over their lifetime of patronage? Hundreds, thousands, or tens of thousands of dollars? Whatever you send should include a delightful message that really makes your USP come to life. Refer to your USP and show how it continues to benefit the customer. For example: ‘At Christmas time I am reminded, Mr. Jones, of all I have to give thanks for. I am reminded of all the things I should be giving, but am not. And while we offer our customers free, 24-hour counseling lines and seven-days-a-week, on-site service calls, I realized that we don’t offer free loaners while servicing your widget.

‘Merry Christmas, Mr. Jones. Throughout 1991, if your widget ever breaks down, not only will we immediately repair it free, but if it can’t be repaired in two hours or less on your premises, we’ll lend you a replacement widget at no charge to keep as long as it takes to fix your widget. Our business is built on service, and that’s what you have every right to expect.’

LEMONS INTO LEMONADE

You should even integrate your USP into every contact with dissatisfied customers!

Whenever someone asks for a refund, replacement, or adjustment, instead of resenting the fact that you have to give back money, use that opportunity to reconvey the essence of your USP -- either in person or via letter. If you have an exchange department, instruct that staff to courteously and sincerely reiterate your firm’s USP, and assure the dissatisfied customer of the firm’s commitment to offer more service, greater selection or better guarantees. Then, if you issue credit or a check, include a prepared letter expressing your deep commitment to your USP, and apologizing for any inconvenience, disappointment, or dissatisfaction. With every refund, send a letter expressing disappointment that you did not fulfill the customer’s expectations, and strongly restate your firm’s USP and your commitment to it.

Then ask the dissatisfied customer to please give you another chance to make good. Make it worth their while by giving them a discount certificate, a special bonus, offering three widgets for the price of two, or some other preferential treatment that shows unhappy customers you want their business back, that you appreciate them, and that you’ll make good.

Let’s look at some actual case studies of how companies have used their USP to propel themselves to great success.

In California, one of the most innovative successes of the 1980’s has been the law firm
of Jacoby & Meyers. Building their USP on modestly priced, fixed-fee, non-rip-off legal services anyone can afford, and advertising those specific legal services at specific and very attractive prices, Jacoby & Meyers has become a major force in the California market. What's more, by positioning their USP as legal services for the working class, they have expanded the market while carving out their unique niche in the legal profession.

A lot of people don't go to lawyers because they are afraid of being billed for hours they can't control or stop, afraid of the cost of dealing with a specific legal problem, or worried that they just plain don't have a case. Jacoby & Meyers overcomes all these problems with an accommodating USP, which in essence says:

'We'll take your personal injury case on a contingency basis if we believe in you. If you think you need a lawyer, but don't know for sure, come for a free (or moderately priced) initial consultation.'

In the mail-order catalog business, The Sharper Image has a dynamic USP built around exclusive, expensive, non-essential adult toys which are all unique, high-tech, and can't be found in ordinary stores or gift shops.

The list of ego-indulging items sold by The Sharper Image is unbelievable -- everything from computerized bathroom scales to full sets of mounted armor. Their USP of selling exclusive, exotic toys fills a void. Believe it or not, a lot of people are willing and able to buy these items, especially if they believe they are buying something unique that will impress their peers -- something that is otherwise unavailable.

The Sharper Image then adds the following four subtraits to make its USP even more irresistible:

1. The president of The Sharper Image personally tests, evaluates, buys, and uses every product he sells. His personal guarantee stands behind every product he offers.

2. You can try out any product for one full month, solely at The Sharper Image's risk, never your own.

3. If at any time within a 12-month period, you find the item at a lower price than you paid for it at The Sharper Image, they will refund the difference on the spot.

4. They launched a frequent buyer's point program where clients get special bonus gifts for buying from them.

The Sharper Image increased their volume to several hundred million in annual sales. Their USP produced that success.

A Los Angeles-based pest control company also had a nifty concept. If you called them for any specific, one-shot exterminating problem, they would 'upsell' you to a quarterly maintenance program plus free service calls anytime a specific pest problem arises.

Signing their agreement gave you the peace of mind that no ants, roaches, fleas, spiders, or other pests would desecrate your home. Instead of getting just $60 for solving a one-shot pest control problem, the quarterly maintenance plan earned them $200 a year.
Converting one-shot service calls into price-induced annual maintenance or annual service programs has terrific USP appeal, and can be applied in all sorts of businesses.

Your Unique Selling Proposition is vital to your marketing foundation. You must clearly identify and articulate your firm’s USP.”
Jay Abraham claims that almost every ad he sees is an institutional type advertisement. He considers these ads a mistake because they don't direct the reader, viewer or listener to any intelligent action or buying decision. He advocates direct response advertising only.

In later chapters we will deal at greater length with specific types of direct marketing. Later on you will get a more thorough treatment that builds on this chapter's foundation and reinforces what you learn here.

"Direct-response advertising's name is self-explanatory. It is designed to evoke an immediate response or action -- a visit, a call, or a purchase from the viewer or reader. Direct-response advertising tells a complete story. It presents factual, specific reasons why your company, product, or service is superior to others. It differs from the conjecture of institutional advertising.

Direct-response advertising is salesmanship in print or over the air. As salesmanship, it makes a complete case for the company, product, or service. It overcomes sales objections. It answers all major questions and it promises performance or results. It backs the promise with a risk-free warranty or money-back guarantee.

Direct-response advertising compels readers, viewers, or listeners to take action, to visit your establishment, call you or send in money. Used effectively, direct-response advertising compels tons of super-qualified, prospects to call, write in, or buy.

You can analyze the profitability and performance of direct-response advertising because it produces returns you can track and compute.

Institutional advertising produces no such results. If you are running institutional ads, change them to direct-response ads. Give your prospects information that's important to them, not to you. Give them facts and performance capabilities of your product or service. Tell them about your guarantee. Give the prospect reasons why your product is superior.

Direct-response advertising is more effective than institutional advertising because the prospect doesn't care one iota about your business or your motivations. The prospect only cares about what benefit your product or service renders. How will your product save effort, time and money? How will your product improve the prospect's life?

Tell the reader, viewer, or listener precisely what action to take. Tell them how to get to your business, what to look for, and who to ask for. Tell them who to call. Tell them what to do when your salesperson calls. Remind them of your risk-free purchasing deal. Most importantly tell them what results they can expect from owning your product. Give your prospects the answers to these kinds of questions and you'll own your market. By switching from institutional to direct-response advertising, you should improve your effectiveness many times over.

Most people think of 'mail order' or 'direct mail' when they hear the term 'direct response'
or 'direct marketing.' Direct-response marketing, or simple 'direct response,' includes but is not limited to direct mail or mail order. As a matter of fact, it encompasses everything from direct mail to newspapers and magazines to telemarketing to radio and TV advertising.

Direct response is used by all types of businesses and professions. It's used to sell everything from birth announcements to burial insurance -- and everything in between: ball point pens...$5,000 computers...$50,000 cars...gold and silver...real estate...magazines -- you name it. You can use it to prospect or make sales. It can be used to get customers to come to your business, seminar, luncheon or any place you direct them.

Direct response brings measurable results. And all at a fraction of the cost of 'traditional' marketing methods. If I had to give you a good working definition of direct-response marketing, I'd say it directs your efforts to a qualified audience, using one or more media for the express purpose of soliciting a response by mail, telephone, or a personal visit from your customers.

**It's your total marketing effort** -- each part orchestrated in harmony with the whole. I honestly don't believe you'll ever find a safer, lower-risk, higher-profit method of increasing your business or profession than direct-response marketing. What's more, any business or profession can add at least one facet of direct-response marketing to its present operation. And it's worthwhile for many reasons:

1. It augments whatever you're already doing in your operation.
2. It's an affordable way to target specific segments of your customer base.
3. It's an indispensable tool for reaching people or businesses outside your general market area you wouldn't normally be able to access.
4. It's an alluring way to 'upsell' your products or services.
5. It's a low-cost way to obtain new business that might otherwise be exorbitantly expensive.
6. It's a powerful way to leverage modest amounts of increased sales into large profits, because the cost to obtain sales is so low.
7. It's a productive way to constantly communicate with your audience, enabling you to cement professional relationships while making a profit in the process.

It's also a great inventory and payroll balancing vehicle. Whenever your employees have time on their hands or you have too much product in inventory, you can use direct response -- targeted at your active customers and prospects to keep the dynamics of products and personnel in balance. My wife sends out a post card every month to her customers offering a slightly reduced price on salon services on the three slowest days of the week. Consequently she is booked up on Tuesday, Wednesday, Thursday, and her employees (who would be there anyway) are kept busy.

"Let's say you're stuck with too much inventory. Make a special, discreet, private offer
to old customers and prospects. You're going to lose money anyway, so why not use it as a loss leader to get people to buy from you."

If your business enters a slack period you still have payroll running and your employees may not have much work. Direct response allows you to launch an immediate campaign to stimulate business activity. You can announce a sale or make a special offer. You can usually get something going fast and thereby keep your staff busy. The unprofitable lulls in business activity can be nullified by an active, direct response program. Every business needs to employ these tactics aggressively to keep sales up.

"Adding direct response advertising allows you the flexibility and ability to constantly manage and balance your inventory, personnel, and payroll.

DIRECT MAIL

The primary purpose of direct mail is to promote a purchase or an inquiry.

The techniques to evoke a response range from 'soft sell,' (write in or call, request information, visit at a later date) to 'hard sell,' (send cash or call with charge-card information.

You need to use compelling reasons to convince your prospects to buy, and you need to add benefits and guarantees (risk transference) to get them to buy. You've got to make the proposition irresistible. Offer bonuses just for taking you up on your offer. Make it impossible for them to say no.

If you already have client lists start a direct-mail program with a specific offer and make such offers frequently. They may be once a month, every quarter, every six months, once a year, or whatever -- depending on the product." Also depending on the success. At times in my company our offers work every two weeks. We can mail our customers twice a month and get good results. At other times offers may only work once a month or every two months. If you track results closely you can gauge how often you should be in the mail. After all, if it were profitable you could mail every day. It's simply a matter of figuring the time interval necessary before another mailing will work.

"In your direct-mail piece, give an inducement -- some kind of added value, to get people to favor your firm. Explain why you're making the offer, for example: 'Even if I lose money on this offer, I know that if I give you the kind of service or product you expect, I'll have you as a customer for life.' Don't ever fail to give reasons. Always spell out your motives: 'Here's why I'm making this offer...This is why I'm writing...I'll give you this free gift just for allowing me to talk with you....'

Your customers aren't stupid. (But advertisers are much of the time.) A case in point: Recently, I consulted with a client who had run numerous ads full of broad claims and then didn't explain why he was able to make such offers. His ads failed. People are naturally suspicious of advertising; they tend to take it with a grain of salt. But the better that people understand your motives (if you present them intelligently), the more inclined they'll be to accept your proposition.

As part of every letter you send out to a familiar audience, you should encourage your
customers, either in the body copy or postscript, to keep patronizing you. It should be something to the effect of: ‘And, by the way, whether you respond to this offer or not, please keep us in mind for this or that.’ If you have a retail store, encourage customers to keep visiting or if it’s a service company, to keep calling in for service and if it’s a doctor’s office, to keep coming in for checkups.

Case example: Let’s say you own a service company. You have a list of people who rely on your outstanding service. Try a mailing offering one of two things:

1. A special on your service.

2. A reminder of the benefits of your service with additional reasons why your clients should keep patronizing your firm.

That letter might read something like this:

Dear Mr. & Mrs. Moe,

If you need cesspool service, here’s an irresistible opportunity for you to save a whopping $70.

Our normal charge is $100. But we’ll service your cesspool during the month of May for only $30...if you'll let us come by without a scheduled appointment.

To tell the truth, I'm offering you this reduced-rate cesspool service for two very good reasons (and I must admit they're a bit selfish).

   The First Reason Why I'm Making You This Offer...

Our cesspool servicepeople, you see, are out in the field all day long. So if you allow us to come by at our convenience instead of yours, our cost to service your cesspool is lower. That's because our servicepeople will already be working in your neighborhood when they come by to service your cesspool.

We simply pass the savings on to you. And everybody wins.

   The Second Reason Why I'm Making You This Offer...

The other reason I'm making you this offer is because it's a very good way for you to sample our cesspool service. And I know once you see our quality service, once you've had a chance to compare it to our competitors -- you'll see our service is far superior to anyone else's -- at any price. (Even though our prices are already 10% to 15% lower than our nearest competitor.) And once you're convinced of this, I know that I'll have you as a satisfied customer for life.

To take advantage of this special reduced-rate service offer, just give us a call. You'll be sure you get our best quality at the low price of $30 during the month of May.

If you'll call us today, as part of the service we'll also show you what you can do to take care of your cesspool and minimize damage in the future.
Sincerely,

Matt Morris

P.S. Even if you don’t take advantage of this offer, remember, we’re available for emergency service 24 hours a day, seven days a week — including holidays. Our service is complete and provides 100% of the protection you need to keep your cesspool operating trouble-free. Why not give us a call today?

You gave an irresistible inducement to those on your list needing your service ($70 off). You created ‘perceived value’ comparing your $30 offer to your normal $100 service charge. You even offered to minimize damage if your customer responds today (an added inducement and added value). You gave reasons why you were making the offer (your lower cost to give the service at your convenience, and a chance to demonstrate your superior service and win a customer for life). And you implied value again by mentioning your service cost is lower than the nearest competitor (10%-15% lower).

You used the postscript to embellish your superior service and availability (24 hours, seven days a week...100% protection for trouble-free operation). So even if the customer doesn’t respond, you’ve created a useful tool for communicating. You have nothing to lose!

IDENTIFY YOUR MARKET

Have someone in your office start collecting and identifying prospect and customer files. Go back to your company archives, warranties, files, sales receipts, invoices, checks, phone and messages. Organize a central-house file. Make it a procedural part of the purchasing function to see that the name of every prospect, customer or patient is recorded. Train your clerks, receptionists, secretaries and salespeople to capture the name, address (complete with city, state, and zip code) and phone number of everyone who comes in, calls in or with whom they come in contact. (Ask for children’s names and ages too, so you can really personalize your lists.)

After you’ve made this part of your procedural operation and you’ve started collecting names inside your business, categorize them according to whether they’re active, inactive or merely prospective customers. Then cross-file as many different ways as you can think of by frequency and size of purchase. Remember, the more information you can gather on your customers and prospects, the more other products or services you can sell them. And just because they don’t buy today doesn’t mean they won’t buy later.

Once you’ve got your ‘in-house’ lists, start working them by direct mail or telemarketing. Then you can go ‘outside’ your business and buy or rent permanent lists to expand your market. But a few words of caution: Beware of ‘dump’ lists. Look for quality lists that have been recently ‘cleaned.’ Try lists that are more focused. It’s better to use a rifle shot than a shotgun blast. For example, if you’re in the consumer market, you can get lists of the exact names of heads of households who live on the best streets or who drive the best cars -- or however you want to focus your list. If you’re in the trade market, you can get the names of heads of certain types of businesses.

Here’s an example of how to use direct mail to solicit new customers.

Devise a customized computer letter that promotes your company. (You don’t want a cheap multi-color, quick-print letter that won’t be read.) You want a well-fashioned,
personalized letter explaining the reasons you’re writing and the benefits the reader will gain by acting promptly on your offer.

Here’s how a letter from a carpet store owner might read:

To John Doe,

Mr. Doe, my name is Jay Abraham. I have a carpet store four miles from you at such-and-such address.

We sell Du Pont, Monsanto, and many other fine carpetings with names that most people recognize.

Quite frankly, our store is small. But so is our overhead.

That means we can offer you a very low price on almost any brand of good quality flooring you want.

In fact, if you’ll let me come out and show you the values we have compared to (name other carpet stores), I’ll give you absolutely free - $50 worth of any flooring repair you may need in your home or business just for allowing me the privilege of showing you our quality carpeting and comparing our price.

There’s absolutely no obligation on your part. No strings attached, either.

Sincerely,

Explanation: You personalized the letter by mentioning the prospect or customer’s name. You introduced yourself. You told the truth and stated the obvious (small store) and why it’s a benefit doing business with you (low overhead passed on to the customer, quality products). You embellished ‘perceived value.’ Compared to competition it’s a good buy) You made a no-risk bonus offer ($50 flooring repair) and you explained why you were willing to make such a proposition (for the privilege of showing them your carpeting).

THE GIANT COMPANIES USE DIRECT MAIL

Bell & Howell pioneered the sale of big-ticket products direct to consumers. Mercedes-Benz used an eight-page letter to sell 10,000 diesel cars that weren’t moving -- and won the coveted ‘Golden Mail Box Award’ from the Direct Marketing Association. Hewlett-Packard has used direct mail to sell electronic equipment -- without their regular sales force. These giant companies know what direct-response marketing can do for a business.

TELEMARKETING

Telemarketing costs far less than a direct sales force. Some companies use it to ‘cold canvass’ prospects and set up appointments for outside salespeople. Others solicit business from customers or prospects who have responded to ads. You can use the phone to generate leads or for repeat sales to active customers.

SHOULD YOU UNDERTAKE TELEMARKETING?
Should your company telemarket and if so, should you handle it or contract someone else to do it? Answer the following questions to answer whether telemarketing is for you:

* What goals have you established in writing for your business?

* Can you blend the telephone into your present operation to reach these goals?

* Do you have phone experience or sales skills that would lend itself to telemarketing?

* Do you have the time or personnel to create and implement a telemarketing program? Can you recruit, train, motivate and supervise?

* What type of equipment will you use? How many phone lines? What are the costs? Do they make good economic sense?

* Are your prospects or customers available to the phone during work hours? Are they at home or work? Do you have phone lists? Can you get them?

* How long will your telemarketing campaign run? Will it be permanent? Can you maintain this sales force and enhance your profits?

* Should you have all this done outside your place of business? Should you contract with a telemarketing service?

If so, ask the telemarketing firm the same questions you just asked yourself. Ask about experience, skills, schedule, and equipment. Ask who will write the script. Find out if they have knowledge about your business, profession or industry.

If you elect to go this route, ask the telemarketing firm for previous and current client companies. Check with them, and find out what their results have been.

If you decide to do it on your own, here are some pointers:

1. In telephone sales, you don't have the advantage of body language so tone of voice and rate of speech are critical. A good personality, the ability to build confidence, and to be in charge and to work towards a close are necessary for phone sales.

2. You must get through to the right person -- the one who makes the buying decision. Expect to be confronted and rejected by many secretaries.

3. Listen to what the other person is saying. Then respond to his or her needs accordingly.

4. Answer questions by asking questions. 'If I understand you correctly, you would be interested if...Is that correct?' Or, 'If I could provide this service for you at a price below market with no risk on
your part, is there any reason why we couldn't do business?'

5. Read back information. Don't assume the person you're talking to understands. Keep asking, 'Am I making myself clear?'... 'Does this make sense to you?'... 'Don't you agree?'

6. Don't try to sell anything that's too technical or complicated over the telephone. Keep it simple.

7. Ask for action. Offer a choice between two alternatives. Anticipate objections. Make it easy to say 'yes' and difficult to say 'no.' Use post-purchase reassurance as soon as you've sold the customer.

8. Follow up a telephone purchasing commitment in writing. Verbal commitments are quickly forgotten.

These basic pointers demonstrate some of what's involved in telemarketing.

SPACE

Space means print advertising in magazines and newspapers. Space also means ads in specialty publications, newsletters or house organs.

You can use space ads to get customers to order by phone or mall no matter what the product or service.

How should you use space? Create ads that offer a fabulous risk-free proposition that's irresistible to the market. Tell why you're making the offer. For example, you might say it's a 'get acquainted offer... a chance to show what kind of value, service and quality you provide.'

John E. Powers, one of the first great copywriters told how he went about writing ad copy. 'The first thing one must do to succeed in advertising is to have the attention of the reader. That means to be interesting. The next thing is to stick to the truth, and that means rectifying whatever's wrong in the merchant's business. If the trust isn't tellable, fix it so it is. That is about all there is to it.'

Try to create common-sense, direct, factual ads. Use familiar, colloquial language -- a talking style of writing -- mixed with simple construction and short sentences. Disarm your audience's resistance to your ads by understating your case and qualifying your claims. Remember, people don't want to be sold. They want to be shown how your product or service will help them get what they want.

To find out where you should advertise, look in the Standard Rate and Data Service Directory magazines and newspapers. It's at your library. It lists all the publications in the country. If you don't have access to SRDS, write to them at their address: 3002 Glenview Rd., Wilmette, IL 60091, and tell them your area of interest. Gale Research Co., 835 Penobscot Building, Detroit, MI 48226, also has a list of directories. By reading them, you'll see all the publications available to you.

Identify the magazines, newspapers or periodicals with whom you could advertise. Zero in on those publications with plenty of direct-mail or mall-order ads in them. Don't make
the mistake of looking for virgin publications, with no direct-response ads in them. Usually they don't have ads in them because they don't pull. Publications like Popular Mechanics and The National Enquirer are good for testing a product or service in the consumer market.

Use a ‘two-step’ approach in these publications. Run a small, inexpensive ad designed to pull as many inquiries as possible, then follow up with a detailed direct-response letter and/or brochure. Most people don’t advertise in these publications because they’re full of expensive ads. They’re full of these ads because they work. Go where the smart money goes.

If you want to appeal to the trade market contact the trade publications in your field listed in the SRDS. Write or call those publications and request the last 12 issues. (You’ll have to pay for anything more than a sample copy.) Go through them and call people who’ve run ads in these publications (as long as they’re not competitors). Tell them you’re thinking of advertising in the publication, and ask them how their ads did. It’s cheap insurance to find out how others’ ads have pulled before you lay your money on the line.

Then consider the size of your ads. Use only as much space as you need to solicit a response to your ad. If you can get by with one-fourth or one-eighth page don’t buy more than you need. A full-page ad is worth running only when there is enough meaningful copy and graphics to fill the entire page. If you only have enough copy for a one-quarter or one-half page ad and you blow it up to a full page, you will be more likely to double the cost of every lead or sale than to double your response.

A number of years ago I had a client who advertised auctions. He wanted to run full-page ads in The Wall Street Journal. I begged him to let me run a one-quarter-page ad for his firm. He agreed to run two ads at the smaller size. He still wasn’t satisfied with that so he made me blow up the ad to full page and run it again. Result: The one-quarter-page ads cost $5,000. They produced 250 inquiries for his auction catalog. The full-page ad cost $20,000. It also produced 250 inquiries for his catalog. So remember, bigger is not better -- unless you can fill up the extra space with useful information.

A ‘double-truck’ ad means two full-page ads side by side. Studies have shown they don’t usually do twice the work. The only time you should even consider such a big ad is when you have a lot to say. Even then, you’re better off running fractional-page ads (a half page ads four times versus one two-page ad).

I had a client who ran an interesting test. He took his firm’s regular one-quarter-page ad in The National Enquirer and ran it four times the normal size to get a full-page ad. The next week he ran four different one-quarter-page ads. Result: The full-page ad increased the cost per customer 400% and pulled four times as much response as a one-quarter-page ad. But the four one-quarter-page ads that ran simultaneously pulled six times as much as one one-quarter-page ad.

I have a friend in Texas in the real-estate business. Instead of running large newspaper ads, his firm would run small 15 to twenty-word ads. Prospects would call and say, ‘You have more properties for sale than anyone else.’ Actually, he had no more properties than any of his competitors. But prospects equated ad frequency with volume.

Always ask the publication you plan to advertise in if they have a ‘stand-by’ or ‘remnant’ rate. (You can save up to 40% of the cost of your space ad.) If so, you can send ad
slicks, in advance, with a purchase order to buy space at these reduced rates. They won't guarantee placement, but it's a great way to shave the cost of your advertising when they have 'leftover' space available.

The type style that's used and read ten times more often than any other is a 'serif font.' Always specify 'serif' in the body of your space ads and 'sans serif' (such as Helvetica) in your headline. They work well together.

A KEY POINT TO REMEMBER ABOUT DIRECT RESPONSE

You can make your business efforts more effective by using direct response to uncover qualified prospects. Your ads should call for some kind of action or interest on the part of the prospect. Those who respond are your hot leads. When you send your salespeople out to make 'cold calls' they may sell 3% to 20% of the people they call on. Even if they managed to sell 20%, that means four out of five would be unsold. With prequalified leads you could sell four out of five. Your salespeople's effectiveness is multiplied by using direct response to get them leads to call on.

DO WHAT THEY DID

I once worked for International Entrepreneurs Association. They used direct response right off the bat, but they never did anything with their customers once they got them. We started mailing specific offers to these customers and found we made more money following up with customers than with the normal marketing to prospects.

This follow-up led to telemarketing. It added about $50,000 a month. Then they started running little blurbs in their publications and direct-mail pieces saying, 'If you have any questions or need a consultation, call this number. It's not toll free, but we give you a free consultation that can help you.'

When people called in, they got a free consultation. But the Association had a bunch of products to sell. Almost every consultation ended with an order for three or four of these products. That added another $50,000 to $60,000 a week to their bottom line -- all by adding direct-response to their existing operation.

I also consulted an insurance company that sold year-long insurance programs. They needed operating capital. So I came up with the idea of mailing all their clients four- and five-year 'early bird' renewal specials. It brought in millions!!

For several years I offered newsletters, special reports and investment services to Howard Ruff's readers because that was their area of interest. In each one of Howard's newsletters I would put an insert offering a different product. We both prospered through this form of direct marketing. So can you. Make direct response marketing an integral part of your business.
WRITING

Chapter 8

The biggest decision in advertising and marketing is whether you're going to write your copy or if someone else is. There are marketing lessons in this book that would if employed, bear fruit for the world's largest corporations. However, no one expects senior execs and CEO's to lift their pens and fire their ad agencies. Nevertheless, every chief executive should grasp the principles of good writing. Every president should also be able to sniff out bad ads and promotions and improve them before they get to the media. Every CEO should carefully monitor the work of their ad agency.

Entrepreneurs and chief execs of medium and small companies would be well advised to write their own copy if they can. It helps to have a talent for writing but if not, it's a skill that can be learned. It's easier to become a good writer than to become a mediocre piano player. All you need to do is read one book, follow its principles and keep on writing.

Before we tell you about that all important book, you should grasp a few generalizations about good writing.

What is it about a magazine article or book that makes you put it down after the first few pages? Perhaps you are not interested in the subject but more than likely you set it down because of bad writing. Even if you wanted to know more about the subject, the article was boring. What made it so? Bad writing. The foremost writing sin that turns readers off is too many words. Not too many words as in a long article or a thick book, but too many words in a sentence saying something that could be said with far fewer words.

Here's a sentence you can clearly understand: We want to hit our competition and knock them out. Here's how a bad writer or speaker says the same thing: As you probably already know a good tactic or philosophy for us to follow would certainly be for all of us to adapt a viewpoint wherein we want to apply enough marketing pressure as well as our other various and sundry resources to hit our competition and deliver a well-placed blow that has enough force and power to knock them into a state where they are dazed and staggering and perhaps even completely out.

The exact words in the first sentence are contained in the second. Go back to this long last paragraph with your pen and line out these excessive words. Do it now because if you don't you'll miss out on the most valuable lesson in written communication. Scratch out the extra words and make the second sentence into the first. Once you have done this simple drill, you can practice it again and again on other articles and books.

When you write you need to go back over your sentences and strike out the excess verbal baggage. Most novice writers put down too many words on paper. Wordy sentences lack punch and impact. Too many words weaken sentences and put the reader to sleep.

Good writing also requires that you use action verbs. Compare these sentences:
Joe is very active as he is getting on the school bus. Joe ran out to the bus and jumped on. The use of verbs makes language reach out and grab you. Anytime I find myself writing "is", "as", "was" or "were" I tear my sentences up and start over. Try to write your sentences without is in them.

A more extensive treatment of this subject can be found in the book "How to Write, Speak and Think Effectively," by Rudolf Flesch. In a single chapter, "Rx for Readability," Flesch pounds out the most powerful writing advice ever penned.

His book is basically an elaborate explanation of his 25 rules of effective writing:

"1. Write about people, things, and facts.
2. Write as you talk.
3. Use contractions.
4. Use the first person.
5. Quote what was said.
6. Quote what was written.
7. Put yourself in the reader's place.
8. Don't hurt the reader's feelings.
10. Don't be too brief.
11. Plan a beginning, middle and end.
12. Go from the rule to the exception, from the familiar to the new.
13. Use short names and abbreviations.
14. Use pronouns rather than repeating nouns.
15. Use verbs rather than nouns.
16. Use the active voice and a personal subject.
17. Use small, round figures.
19. Start a new sentence for each new idea.
22. Use direct questions.

23. Underline for emphasis.

24. Use parentheses for casual mention.

25. Make your writing interesting to look at."

If you will write an article with rule 11 in mind, diligently apply rule 20 and rule 15 (a list of these verbs is provided in Flesch's Rx chapter) then you can immediately become an effective writer (especially if you rewrite with an eye to cutting unnecessary words). It may take a few weeks of practice and a few hours thumbing through Mr. Flesch's book to get it down pat. If you take the time to learn to write good copy you not only save the money paid out to ad agencies, but control your own marketing destiny. Learn to write your own ads, your own headlines, your own sales literature and your own offers and promotions. Good writing speeds you to your financial goals.
ADVERTISING

Chapter 9

We are going to try and touch on all aspects of advertising in this chapter. In addition to Jay’s sage advice we call on other experts. Although you will learn a great deal from this chapter, you should also buy and read the books that we mention to further educate yourself. Jay leads off.

"First of all, understand that advertising is nothing more than salesmanship in print. It's nothing more than salesmanship over the air. It's nothing more than visual salesmanship. It's nothing more than salesmanship in a letter. Most people try to do cutesy ads and they try to do institutional ads. An institutional ad is one that tells people how great and wonderful you are. It tries to keep your name in front of them, and frankly, for the most part, they're absolute wastes of time and money.

Keep in mind the reality that people don't give a flying whatever about how great you are. All they care about is what unique benefit, advantage, service, or personal enhancement you offer them that somebody else doesn't offer. How are you going to improve their lives? How are you going to make their lives easier? Are you going to make them more handsome? Are you going to make them richer?

They want to know how you're going to enhance the quality, the value, the enjoyment, the profitability of their lives. And very few marketers truly understand that! People don't care what you want! All the things you do in advertising, in marketing, in selling should only be addressing what benefits you're rendering the customer and the prospect, because they don't care about you.

However, they do want to know that you're qualified to help them. So, in your advertising and marketing efforts, credentialize yourself. If you've got expertise and people don't appreciate your knowledge and expertise, find a way to explain it. If, in fact, you've been in the field longer than anyone else, you've attended important symposiums, you're a dry cleaner and every expensive fur in Beverly Hills comes to your place, take advantage of that and credentialize yourself.

You've seen us do that in a lot of our promotions, building up somebody's expertise. He got his Ph.D in this; he did that; he studies this; he was counsel to the President. Credentialize yourself. In everything you do, give people reasons why they should believe in you, so they'll buy.

People find it interesting that I advise so many clients to cut down or eliminate entirely costly institutional advertising.

There's a solid reason for this...

Institutional advertising, or the practice of running ads that are designed simply to keep your name in front of the public, is folly.

Institutional ads are ineffectual, non-trackable, and a blatant dissipation of your resources. These ads are totally ineffectual and accomplish nothing more than transferring your wealth from your treasury into the treasury of the radio station.
newspaper, or magazine.

I try to get my clients to understand this: Advertising is salesmanship en masse. It's either salesmanship in print, salesmanship on the air, or salesmanship in the mail. It's not blind, nebulous, or innocuous statements that say nothing, make no case, or compel no one to action.

But few, if any business owners truly understand the purpose or reason for running an ad. It's to stimulate a direct and immediate response -- either a qualified inquiry, phone call or visit to your facility -- or better yet, to promote an instant sale. Nothing else warrants expending the lavish funds that ads cost.

How do you tell the difference between an institutional ad and a direct-response ad? Very simply...An institutional ad is not trackable, its purpose is merely to put a company name in front of the general public. A direct-response ad is trackable -- it asks the reader to respond in some way (by phone, by mail, by coupon) -- so you can measure the effectiveness of the ad.

Direct-response advertising will help prevent you from blindly throwing money into the coffers of the radio and TV stations, and the newspapers and magazines, because you can measure whether or not your ad is effective. After all, if your ad isn't 'buying' customers for you at a dollar amount equivalent to their marginal net worth, you might as well stop running the ad.

Until a company understands the purpose of an ad and how to construct and formulate it, I advise my clients to hold off and stop throwing their money away.

If you run display ads, do they make a specific offer that compels people to respond so you can gauge, analyze and compare with other offers?

If the answer is 'yes,' then look at the response from each ad to see which one or ones pulled better than the others.

* What caused one ad to pull better than another? Did you record the positioning (the page number the ad appeared on), the basic premise of the ad, the headline? What action did you ask for?

* What incentive did you offer to induce a response? Did the ad include prominent references to your USP? Did you compare the results (the profit, and the traffic, if applicable) against other ads you've used?

* How much did a lead or prospect cost? How much did it cost per sale? How many sales did you generate?

* How many prospects converted to sales? How many first-time customers bought again? Did you upsell or cross-sell to them? Did you test different prices?

The same basic questions should be asked of your salespeople.

* Which sales approach pulls best?
* Which prospects are prime? How do you identify them?
* What product, package, or promise works best?
* What packaging combinations have you tried?
* What were the results?
* What upselling or cross-selling do you do?

Get specifics on how each package or concept performs.

* What is the closing ratio per prospect contacted?
* What is the average initial sale per customer?
* How many repurchases per year is that new customer good for?
* And, how much profit is that to you?"

These tasks can be turned over to a computer and the facts served up to you on a daily basis. These reports aren't nearly as formidable as they sound once a computer program gets into place that deals with them.

"CUTTING THE COST PER SALE

Analyze your ads -- what they say, how they say it, the headline, whether they present your USP, the offer, the action you direct the customer to take, the costs and the resulting sales. After your analysis tells you which basic offer, headline and copy work best, try to improve upon them.

Take your 'winningest' approach and begin testing different versions (starting with headlines) against each other. Keep all other variables the same, changing only the headline. One headline saying the same thing in a different way can outpull another headline on the same body copy by as much as 17 1/2 times. That's one of the quickest ways to leverage your marketing. Merely replacing one headline with a better one can instantly increase responses by several times.

If you don't use headlines in your ads (and surprisingly, about a third of all companies don't), start now! Headlines also apply to TV and radio commercials and sales pitches used by your field salespeople, in-store clerks, telephone sales or order people. Substitute the word 'headline' for 'opening thrust' or 'initial paragraph,' and you've got the same thing. What you say to a prospect in the opening moments of a commercial, sales call or telephone conversation is crucial. Compare various sales thrusts in your TV and radio spots and also, in your sales pitches. Then experiment to improve your most winning theme.

LET'S SUMMARIZE THE STEPS:

1. Experiment with your basic 'control' (your current most winning ad) to improve upon your headline.
2. Once you have the best-pulling headline based solely on hard-nosed analysis, try to improve the basic offer, improving the clarity or appeal of the proposition and reworking the copy. Test different offers, packages, prices, and guarantees.

Test different directives at the end of the ad, telling the prospect how to respond.

Each component of your marketing, be it ad, letter or sales pitch has six distinctive parts:

1. A headline or opening thrust
2. The basic story or pitch
3. The proposition
4. The exact offer
5. A guarantee
6. The call to action

Once you've found the best headline, test it with different body copy. Then, when you've found the best headline and the best copy, test different propositions, offers or guarantees.

Improving each component raises your leverage that much more. If an improved headline produces 300% more response, that's great. But if adding improved body copy further increases the result to 350%, that's even better. And if writing a better offer gets you 35% more, and a stronger guarantee gets another 20% -- well, you can see the leverage.

I once had a client who sold gold with the bank financing two-thirds of the purchase price. My client had been running ads with the headline -- '2/3RDS BANK FINANCING ON GOLD AND SILVER' That headline was making a lot of money. But I immediately started testing the ad, restating the headline a number of different ways. Ultimately, I came up with one headline which outpulled all other headlines by more than 300%. Every ad, every letter, every commercial, and every sales pitch immediately became 300% more productive. What was my winning headline?

'If Gold Is Selling For $300 an Ounce, Send Us Just $100 an Ounce, and We'll Buy You All The Gold You Want.'

I merely found a more compelling way to say the same thing, and it was more than three times as effective for no more money. And I didn't guess. I tested.

Once you've produced the best hybrid you can develop, don't rest on your laurels. Continuously experiment with new, improved, fresh restatements or derivatives of your most winning headline and body copy offers. Always try to outpull your control. Once you find the most productive way to bring in the prospects or customers, you need to develop the best ways to ethically exploit them over and over.

Testing is the key to advertising success. Each variation in your ad program should be tested to determine the most profitable tactics. Test your headlines, your opening lines and your copy. Test one advertising vehicle against another. Test positioning within publications. Test ad size. Keep going. Think of more. Add a guarantee. Change the price. (I've actually seen an ad offering a product for $95 outpull the same ad offering
the same product at $59 by 300 percent in units sold -- and 5,000 percent in profit realized! Track the results each version produces.

The headline is the most important factor in any advertising. When you have decided on your headline, you have created 80% of the effectiveness of your ad. Never settle on one headline without testing at least five or ten."

In cases where you don't have the time to test this much or you don't have the money, be satisfied with writing out five or ten headlines and selecting the one you like the best.

Never consider running an ad, sales pitch, or mailing piece without a headline. Great marketers spend hours, days, even weeks struggling over the one-sentence headline that will determine the result of their ads and sales letters. Craft the headline so it appeals to the prospect's self-interest. Promise the prospect a big, big benefit in the headline.

People will only read the body copy if your headline arouses their interest. After creating the very best possible headline, go to the body copy -- the essence of the offer. Be direct. Get straight to the point. Avoid superlatives, platitudes, and vacuous, meaningless generalities.

How about long versus short copy? If your product or service has a lot of qualities, characteristics, facts and benefits, write long, interesting copy. The universal conception that people hate reading long sales letters is pure baloney. Ads are either boring or they are interesting. If they are interesting, people will read page after page of your copy. Write as much as it takes to make a complete case, whether that takes two paragraphs or ten pages.

Also include information, education, useful advice and unselfish service to the reader. Write your body copy in human language, not stodgy business jargon or technical lingo. Use a lot of short words, short sentences, short paragraphs and thoroughly personal copy, no matter how long the copy is. Copy should always be written in everyday language. Don't bore people into buying your product; interest and educate them into buying it. Write short sentences and paragraphs, without hard words that most people don't know. Long copy outsells short copy if you have a lot of information to convey. But don't write essays. Tell readers the advantages of your product. Explain what it will do for them. If your product has a recognizable name, use it. When someone tested an ad bearing the brand name of a well-known company against the same ad without it, the first version pulled nearly 30 percent better. Make your ad an interesting story. Avoid superlatives at any price. Use testimonials to enhance credibility.

Again, if there's one lesson you should learn from this discussion, it's to test. Test your possibilities to come up with the one that works best for you. But don't stop there. Don't ever become complacent just because you may be running a winning ad at the moment. No profit-oriented businessman would knowingly waste money by running an ad that pulled only one-fifth of its potential if he knew how to do better. Until you try a different version and compare it against a control, you never know just how much more productive you can be. There is only one steadfast rule: test every variable and constantly re-test once you've determined a winning combination, because who is to say how high is high?

EXAMPLES

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A company I greatly respect tested a busy ad layout against a more symmetrical and aesthetically balanced layout, both with the same copy. The busier layout pulled an astonishing 110 percent better than the more beautiful layout.

A marketer found that when his ads and sales pitches focused on the most universally appealing aspect of his product, they produced double the results of ads that focus on another application. A major advertising offered a four-week free trial examination of their product and found that their ads, commercials, and sales pitches increased results by 98.6 percent over ads that didn't offer the trial period.

Another advertiser used two approaches. In one, he demonstrated his product in use; in the other, the product was stationary. The ad that depicted the product in use more than doubled results.

In an ad for an English course, the advertiser used the same copy with two different headlines. One was 'The Man Who Simplified English;' the other was 'Do You Make These Mistakes in English?' The second headline produced nearly three times the sales results.

Compare 'How To Win Friends and Influence People' to 'How To Ruin Your Marriage in the Quickest Possible Way.' One advertiser did and 'How To Win Friends...' outpulled the other by nearly 250 percent. An insurance company tested these two headlines against each other: 'What Would Become of Your Wife If Something Happened to You?' 'Retirement Income Plan' The second ad pulled 500 percent more than the first.

A famous correspondence school tested these two headlines: 'Announcing a New Course for Men Seeking Independence in the Next Three Years' 'An Up-to-the-Minute Course To Meet Today's Problems' The first headline trounced the second headline by about 370 percent.

An insurance company compared these two headlines: 'Auto Insurance At Lower Rates If You Are a Careful Driver' 'How To Turn Your Careful Driving Into Money' The first headline was 1200 percent better. General Electric ran two ads, both with the same copy and headline, but changed the picture in the ad. In one, they used a smiling baby. In the second, a woman was putting a GE lightbulb in a lamp. The ad demonstrating the actual use of the product outpulled the smiling baby ad by 300 percent.

I could go on...and on! In all these cases, you would not have known without testing. The results are often surprising. Test! Test! Test! You can have far more sales, inquiries and store traffic for the same money just by testing alternatives against each other:

By testing different ways to say the same thing.
By trying different copy.
By testing the pull of one magazine against another.
By testing one mailing list against another.
By testing one radio time slot against another.
By testing one offer with another.
One price with another.
One guarantee against another.
One sales pitch against another.
One direct mail package against another.

If you use a headline, or offer, or price, or guarantee, or medium, or mailing list or sales pitch without testing it against another version, you are denying yourself and your company the potential of increased sales and profits that cost no more than you're now spending. It's relatively easy to test and track ad results and to ruthlessly leverage every marketing dollar. Failure to test, re-test and test again is tantamount to admitting that you aren't the business person you should be.

One of my first clients, a broker, ran a headline to announce a new and very appealing marketing breakthrough. Unfortunately, he never tested his headline (and unluckily, the headline was boring). When I entered the picture, I came up with 10 different headlines to test. One of them out-pulled his headline by more than 500 percent. Instead of spending $30,000 a month to produce $1 million in sales, that same $30,000 started producing $5 million in sales per month and more! The simple act of testing one headline against another made an annualized difference of something like $50 million in gross sales -- and at the very least, $2.5 million in additional profits.

HOW TO TEST

Test only one variable at a time. This is the scientific principle of control. It means isolating the variable so you are sure of the source of different results. If you're testing a guarantee, don't change the headline. If you're comparing one price against another, don't change any other variable.

If you have two different approaches that you are testing, you must design your test to give you specific results keyed to each approach. You must know which ad each and every prospect is responding to.

You can do this in different ways:

* Use a coupon -- a differently coded coupon for each version of your ad.

* Tell the prospects to specify a department number when they call or write -- there doesn't have to be an actual department.

* Ask the prospect to tell you he heard it on radio station WWXY in order to qualify for a discount or special offer.

* Include a code on the mailing label that is returned with the order -- the code identifies the source of the label or the version of the ad you mailed.

* Use different telephone numbers for respondents -- each offer is accompanied by a similar but distinct phone number.
* Make different package tests and note which bonuses or prices people ask for.

* Have the caller ask for a specific person -- the name can be fictitious.

You must be able to attribute each response to one of the approaches you are testing.

Keep meticulous track of each response and its results: simple inquiry, sale, amount of sale, previous customer. Keep track of every piece of information that you need in your marketing. And be sure to differentiate in your record-keeping between responses (prospects) and actual sales.

Then when you have all the results tabulated by method 'A' or method 'B', compare the two approaches and select the better one. Then test again, using your winner in competition with a new contestant.

TESTING SMALL

A/B splits allow you to test two approaches with one newspaper press run. Newspaper presses print on metal cylinders on which each page is etched twice. Each complete turn of the cylinder produces two copies of a single page. When an advertising wants to use a split-run test, he furnishes two different ads of the same size. The 'A' ad is etched on one side of the cylinder; the 'B' ad on the other side. Each complete turn of the printing cylinder prints two separate ads. Your ad is then distributed to demographically similar audiences. And because the ads occupy the same position within the publication, each ad is fairly tested under similar conditions. A/B testing keeps you from wasting thousands of dollars on losing ads. In this manner, you can also spend far less money pre-testing ads in inexpensive, smaller circulation, regional editions.

Never test big if you can test small. Before you spend a lot of money on a space ad in a magazine or paper, rent a list of subscribers to the publication you plan to advertise in and do an inexpensive mail test of the ad you plan to run. Say, for example, that a full-page ad in the Los Angeles Times costs $18,000. Rather than run two ads for $36,000, pre-test by mail 5,000 names that read this newspaper for only $1,500-$2,000. This way, you can find out if your ad will work before you make a big expenditure.

The purpose of testing is to develop maximum performance from every marketing effort. Yet, it's amazing how few companies ever test any aspect of their marketing and compare it to something else. They bet their destiny on arbitrary, subjective decisions and conjecture.

You don't have the right, or the power, to predetermine what the marketplace wants and what the best price, package, or approach will be. Rather, you have the obligation, and the power, to put every important marketing question to a vote by the only people whose ballots count -- prospects and customers.

How do we put a marketing question to a vote? By testing one sales thrust against another. One price against another. One ad concept against another. One headline against another. One TV or radio commercial against another. One follow-up or upselling overture against another.
When you test one approach against another, and carefully analyze and tabulate the results, you will find that one approach almost always outpulls all the others by a tremendous margin. You'll be amazed at how many more sales -- or how much larger an average order -- you can realize from a similar effort.

For example, if each of your field salespeople averages 15 calls a day, doesn't it make sense to find the one sales 'pitch' or 'package' that will let them close twice as many sales and increase their average order to 40% to 100%, with the same amount of effort?

Remember, salaried salespeople cost you the same fixed amount whether they make one sale a day or three sales a day.

So, tomorrow, have your salespeople try different pitches, different hot-button focuses, different packages, different specially priced offers, different 'bumps' or upgrades, or different follow-up offers. Each day review the specific performance of each test approach, then analyze the data. If a specific new twist on your basic sales approach outcloses the old approach by 25% or 50%, doesn't it make sense for every salesperson to start using this new approach? Test every sales variable. If you do you can easily achieve immediate increases in sales and profits. Good data can help you improve your sales efforts.

Make specific offers and analyze the number of responses, traffic, prospects, and resulting sales for each specific ad. Then compute the cost-per-prospect, cost-per-sale, the average sale-per-prospect, average conversion-per-prospect, and the average profit-per-sale against your control ad or sales pitch. This reveals the obvious winner, the new control that you will keep running until a better control beats it.

Testing applies not merely to outside sales efforts, but to every aspect of marketing. Test your prices. Every situation is unique, so I implore you to test several different prices. You'll be amazed at the differences in order size and overall profit one price will produce over another.

Back in the 1920's the most revered and respected man in advertising put his thoughts down on paper. In his books, My Life in Advertising and Scientific Advertising, Claude Hopkins detailed influential and practical lessons on how to advertise. Most of the great masters of advertising, including David Ogilvie and John Caples, acknowledge that they learned their most important lessons from Claude Hopkins. He had this to say about testing:

"Almost any question can be answered, cheaply, quickly and finally, by a test campaign. And that's the way to answer them -- not by arguments around a table. Go to the court of last resort -- the buyers of your product.

On every new project there comes up the question of selling that article profitably. You and your friends may like it, but the majority may not. Some rival product may be better liked or cheaper. It may be strongly entrenched. The users won away from it may cost too much to get.

People may buy and not repeat. The article may last too long. It may appeal to a small percentage, so most of your advertising goes to waste.

There are many surprises in advertising. A project you will laugh at may make a great success. A project you are sure of may fall down. All because tastes differ so. None of
us know enough people’s desires to get an average viewpoint.

In the old days, advertisers ventured on their own opinions. The few guessed right, the many wrong. Those were the times of advertising disasters. Even those who succeeded came close to the verge before the tide was turned. They did not know their cost per customer or their sale per customer. The cost of selling might take long to come back. Often it never came back.

Now we let thousands decide what the millions will do. We make a small venture, and watch cost and result. When we learn what a thousand customers cost, we know almost exactly what a million will cost. When we learn what they buy, we know what a million will buy.

We establish averages on a small scale, and those averages always hold. We know our cost, we know our sale, we know our profit or our loss. We know how soon our cost comes back. Before we spread out, we prove our undertaking absolutely safe. So there are today no advertising disasters piloted by men who know.

Perhaps we try out our project in four or five towns. We may use a sample offer or a free package to get users started quickly. We learn in this way the cost per customer started. Then we wait and see if users buy those samples. If they do, will they continue? How much will they buy? How long does it take for the profit to return our cost of selling?

A test like this may cost $3,000 to $5,000. It is not all lost, even when the product proves unpopular. Some sales are made. Nearly every test will in time bring back the entire cost.

Sometimes we find that the cost of the advertising comes back before the bills are due. That means that the product can be advertised without investment. Many a great advertiser has been built up without any cost whatever beyond immediate receipts. That is an ideal situation.

On another product it may take three months to bring back the cost with a profit. But one is sure of his profit in that time. When he spreads out he must finance accordingly.

Think what this means. A man has what he considers an advertising possibility. But national advertising looks so big and expensive that he dare not undertake it.

Now he presents it in a few average towns, at a very modest cost. With almost no risk whatever. From the few thousands he learns what the millions will do. Then he acts accordingly. If he then branches out he knows to a certainty just what his results will be.

He is playing on the safe side of a hundred to one shot. If the article is successful, it may make him millions. If he is mistaken about it, the loss is a trifle.

These are facts we desire to emphasize and spread. All our largest accounts are now built in this way, from very small beginnings. When business men realize that this can be done, hundreds of others will do it. For countless fortune-earners now lie dormant.

The largest advertiser in the world makes a business of starting such projects. One by one he finds out winners. Now he has twenty-six, and together they earn many millions yearly.
These test campaigns have other purposes. They answer countless questions which arise in business.

A large food advertiser felt that his product would be more popular in another form. He and all his advisers were certain about it. They were willing to act on this supposition without consulting the consumers, but wiser advice prevailed.

He inserted an ad in a few towns with a coupon, good at any store for a package of the new-style product. Then he wrote to the users about it. They were almost unanimous in their disapproval.

Later the same product was suggested in still another form. The previous verdict made the change look dubious. The advertiser hardly thought a test worth while. But he submitted the question to a few thousand women in a similar way and 91 per cent voted for it. Now he has a unique product which promises to largely increase his sales.

These tests cost about $1,000 each. The first one saved him a very costly mistake. The second will probably bring him large profits.

Then we use test campaigns to try out new methods on advertising already successful. Thus we constantly seek for better methods, without interrupting plans already proved out.

In five years for one food advertiser we tried out over fifty separate plans. Every little while we found an improvement, so the results of our advertising constantly grew. At the end of five years we found the best plan of all. It reduced our cost of selling by 75 per cent. That is, it was four times more effective than the best plan used before.

That is what mail order advertisers do -- try out plan after plan to constantly reduce the cost. Why should any general advertiser be less business-like and careful?

Another service of the test campaign is this:

An advertiser is doing mediocre advertising. A skilled advertising agent feels that he can greatly increase results. The advertiser is doubtful. He is doing fairly well. He has alliances which he hesitates to break. So he is inclined to let well enough alone.

Now the question can be submitted to the verdict of a test. The new agent may take a few towns, without interfering with the general campaign. Then compare his results with the general results and prove his greater skill.

Plausible arguments are easy in this line. One man after another comes to an advertiser to claim superior knowledge or ability. It is hard to decide, and decisions may be wrong.

Now actual figures gained at a small cost can settle the question definitely. The advertiser makes no commitment. It is like saying to a salesman, 'Go out for a week and prove.' A large percentage of all the advertising done would change hands if this method were applied.

Again we come back to scientific advertising. Suppose a chemist would say in an arbitrary way that this compound was best, or that better. You would little respect his opinion. He makes tests -- sometimes hundreds of tests -- to actually know which is best. He will never state a supposition before he has proved it. How long before
advertisers in general will apply that exactness to advertising?"

MAKING HEADLINES WORK FOR YOU

Jay Abraham continues:

How important is a headline to the success of your ad? Consider this: nearly six times as many people read the headline as the body of an ad. Unless your headline effectively sells your product, you are blowing the majority of your advertising money. The sole purpose of a headline is to offer the reader a reward for reading the body copy. The wrong headline, or no headline, can result in the failure of the ad to accomplish its primary goal: to lead the reader into the body of the ad.

To give you an idea of how important this is and to show you how it's done, I'm presenting here some of my best headlines:

You Don't Know Me, I Realize...But I Want You To Have This Before It's Too Late.

To The Men and Women Who Want To Quit Work Someday.

How To Develop A Silver Tongue, A Golden Touch And A Mind Like A Steel Trap.

New Diet Burns Off More Fat Than If You Ran 98 Miles A Week.

What's Your Best Chance To Make Money In Real Estate? The Answer Below May Surprise You.

Almost Everyone Has A $10,000 Idea. Here's How To Make It Pay.

Heart Attacks Can Be Foreseen From Minutes To Months In Advance -- And Prevented.

An Easy Way To Change Jobs.

How To Increase Your Standard Of Living Without Changing Jobs.

Send Me To Any City In The United States. Take Away My Wallet. Give Me $100 For Living Expenses. And In 72 Hours I'll Buy An Excellent Piece Of Real Estate Using None Of My Own Money.

Three Powerful Reasons Why Diamond Prices Are Soaring.

To A $15,000 Man Who Would Like To Be Making $25,000.

I'd Like To Give This To My Fellow Man...While I Am Still Able To Help!

Use your best headline (as determined by testing) in every ad and in every letter to prospects, customers and past customers. You should also use a headline, or 'mini-pitch,' in every commercial. What kind of headline works best? One that promises the reader a large and attractive benefit.

A headline that offers topical 'news' is often very successful. If your product or service is newsworthy, put that special news announcement right at the top of your ad.
Incorporate eye-catching words into your headline. Like ANNOUNCING, AMAZING, INTRODUCING, NOW and SUDDENLY. If you are promoting a product to one particular group, include a 'red flag' in your headline that will single out these prospects. And remember this: specifics outpull generalities.

Personalize a headline by singling out the city, state or group to which it's directed. Avoid humor and double entendre in headlines: they waste space and are non-productive 95 percent of the time.

Don't ever run an ad without a headline. And test to see which one is best. How many times have you scanned an ad in a newspaper or magazine and not had the slightest idea what it was all about, or who the information was intended for? Ads, mailing pieces, or commercials all need a headline. A headline is an ad for the ad. Its purpose should be to reach only those who are most qualified to be a prospect for your proposition.

Without exception, humorous or abstract ads are a waste. If you run ads in general interest publications or commercials on TV and radio and your product is pest control, you should not use headlines or opening statements like, 'Got the bug to clean the house?' or 'This problem affects every homeowner.' Instead, fashion a headline or opening that states the purpose of the ad and qualifies the reader.

For example:

'If your home is plagued by ants, roaches, mice, or rats, we can eliminate the problem with our exciting new monthly maintenance service.'

If you sell plumbing supplies to the contractor market and you run ads in 'Contractor' magazine, you shouldn't run ads that begin, 'The best source of them all.' Instead, craft a headline that states your proposition, such as:

'If you are looking for a source of quality plumbing supplies, we sell them exclusively to contractors at 15% over our cost, with 45-day invoicing and an added discount for orders over $2,500.'

Address your target audience in the headline with teaser copy or the opening line. If you want to reach people over 45, for instance, say:

'If you're 45 or over and thinking of adding to, replacing, or acquiring life, health, or disability insurance, this information...'

Or...

'Insurance coverage for people over 45 with no physical, no waiting, no restrictions.'

If you're trying to reach health- or weight-conscious people for membership in your health club, use a headline or opening line like this:

'Here's a way to become tight, lean, attractive, radiant, and remarkable healthy in just 45 minutes, three times a week.'

If you want to reach people interested in furniture, don't use a cutesy headline. Instead,
try:

'Looking for a $1,500 sofa value for just $475? We have 150 in stock right now.'

Or...

'We sell expensive furniture at deep discounts -- our average price is 45% less than the manufacturer's suggested price.'

Whatever you sell, and whomever you want to reach with your story or message, be specific. Telegraph your message directly to your prospective customers, and tell them what you're offering.

If you want to reach working women who don't have time to cook, say:

'Here are 24 fast, easy, inexpensive dinner ideas especially created for working women who don't have a lot of time to cook.'

I could go on and one, but remember these points:

1. Attract the attention of your target audience in your headline or opening remarks.

2. State your proposition or offer.

3. Use the rest of the ad to develop, support, and present your offer and your reasons why the prospect should embrace it.

4. Finally, tell the prospect how to act.

From now on, always telegraph your message only to the people who are your primary prospects. And never again be content with humorous, nonspecific, or abstract headlines or ads."

The brilliant and highly successful advertising genius, David Ogilvy, had this to say about headlines in his book, 'Confessions of an Advertising Man.' (All of Ogilvie's book are good reading, but the 'Confessions' book should be read and studied for its marvelous entertainment value and for the education it gives you.)

"The headline is the most important element in most advertisements. It is the telegram which decides whether the reader goes on to read the copy.

On the average, five times as many people read the headline as read the body copy. When you have written your headline, you have spent eighty cents out of your dollar.

A change of headline can make a difference of ten to one in sales. I never write fewer than sixteen headlines for a single advertisement, and I observe certain guides in writing them:

1. The headline is the 'ticket on the meat.' Use it to flag down the readers who are prospects for the kind of product you are advertising. If you are selling a remedy for bladder weakness,
display the words 'bladder weakness' in your headline; they catch the eye of everyone who suffers from this inconvenience. If you want mothers to read your advertisement, display mothers in your headline. And so on.

Conversely, do not say anything in your headline which is likely to exclude any readers who might be prospects for your product. Thus, if you are advertising a product which can be used equally well by men and women, don't slant your headline at women alone; it would frighten men away.

2. Every headline should appeal to the reader's self-interest. It should promise her a benefit, as in my headline for Helena Rubenstein's Hormone Cream: How Women Over 35 Can Look Younger.

3. Always Try to inject news into your headlines, because the consumer is always on the lookout for new products, or new ways to use an old product, or new improvements in an old product.

The two most powerful words you can use in a headline are 'free' and 'new'. You can seldom use 'free', but you can almost always use 'new' -- if you try hard enough.

4. Other words and phrases which work wonders are: How To, Suddenly, Now, Announcing, Introducing, It's Here, Just Arrived, Important Development, Improvement, Amazing, Sensational, Remarkable, Revolutionary, Startling, Miracle, Magic, Offer, Quick, Easy, Wanted, Challenge, Advice To, The Truth About, Compare, Bargain, Hurry, Last Chance.

Don't turn up your nose at these cliches. They may be shopworn, but they work. That is why you see them turn up so often in the headlines of mail-order advertisers and others who can measure the results of their advertisements.

Headlines can be strengthened by the inclusion of emotional words like: Darling, Love, Fear, Proud, Friend, and Baby. One of the most provocative advertisements which has come out of our agency showed a girl in a bathtub, talking to her lover on the telephone. The headline: 'Darling, I'm having the most extraordinary experience...I'm head over heels in DOVE.'

5. Five times as many people read the headline as read the body copy, so it is important that these glancers should at least be told what brand is being advertised. That is why you should always include the brand name in your headlines.

6. Include your selling promise in your headline. This requires long headlines. When the New York University School of Retailing ran headline tests with the cooperation of a big department store, they found that headlines of ten words or longer, containing news and information, consistently sold more merchandise than short headlines.

Headlines containing six to twelve words pull more coupon returns than short
headlines, and there is no significant difference between the readership of twelve-word headlines and the readership of three-word headlines. The best headline I ever wrote contained eighteen words: At Sixty Miles an Hour the Loudest Noise in the New Rolls-Royce comes from the electric clock. (When the chief engineer at the Rolls-Royce factory read this, he shook his head sadly and said, 'It is time we did something about that damned clock'.)

7. People are most likely to read your body copy if your headline arouses their curiosity; so you should end your headline with a lure to read on.

8. Some copywriters write tricky headlines -- puns, literary allusions, and other obscurttes. This is a sin.

In the average newspaper your headline has to compete for attention with 350 others. Research has shown that readers travel so fast through this jungle that they don't stop to decipher the meaning of obscure headlines. Your headline must telegraph what you want to say, and it must telegraph it in plain language. Don't play games with the reader.

9. Research shows that it is dangerous to use negatives in headlines. If, for example, you write our salt contains no arsenic, many readers will miss the negative and go away with the impression that you wrote our salt contains arsenic.

10. Avoid blind headlines -- the kind which mean nothing unless you read the body copy underneath them; most people don't."

Claude Hopkins says this about headlines:

"The difference between advertising and personal salesmanship lies largely in personal contact. The salesman is there to demand attention. He cannot well be ignored. The advertisement can be ignored.

But the salesman wastes much of his time on prospects whom he never can hope to interest. He cannot pick them out. The advertisement is read only by interested people who, by their own volition, study what we have to say.

The purpose of the headline is to pick out people you can interest. You wish to talk to someone in a crowd. So the first thing you say is, 'Hey there, Bill Jones' to get the right person's attention.

So in an advertisement. What you have will interest certain people only, and for certain reasons. You care only for those people. Then create a headline which will hail those people only.

Perhaps a blind headline or some clever conceit will attract many times as many. But they may consist mostly of impossible subjects for what you have to offer. And the people you are after may never realize that the ad refers to something they may want.

Headlines on ads are like headlines on news items. Nobody reads a whole newspaper. One is interested in financial news, one in political, one in society, one in cookery, one in sports, etc. There are whole pages in any newspaper which we never scan at all. Yet
other people may turn directly to those pages.

We pick out what we wish to read by headlines, and we don't want those headlines misleading. The writing of headlines is one of the greatest journalistic arts. They either conceal or reveal an interest.

Suppose a newspaper article stated that a certain woman was the most beautiful in the city. That article would be of intense interest to that woman and her friends. But neither she nor her friends would ever read it if the headline was, 'Egyptian Psychology.'

So in advertising. It is commonly said that people do not read advertisements. That is silly, of course. We who spend millions in advertising and watch the returns marvel at the readers we get. Again and again we see 20 per cent of all the readers of a newspaper cut out a certain coupon.

But people do not read ads for amusement. They don't read ads which, at a glance, seem to offer nothing interesting. A double-page ad on women's dresses will not gain a glance from a man. Nor will a shaving cream ad from a woman.

Always bear these facts in mind. People are hurried. The average person worth cultivating has too much to read. They skip three-fourths of the reading matter which they pay to get. They are not going to read your business talk unless you make it worth their while and let the headline show it.

People will not be bored in print. They may listen politely at a dinner table to boasts and personalities, life histories, etc. But in print they choose their own companions, their own subjects. They want to be amused or benefited. They want economy, beauty, labor saving, good things to eat and wear. There may be products which interest them more than anything else in a magazine. But they will never know it unless the headline or the picture tells them.

The writer of this chapter spends far more time on headlines than on writing. He often spends hours on a single headline. Often scores of headlines are discarded before the right one is selected. For the entire return from an ad depends on attracting the right sort of readers. The best of salesmanship has no chance whatever unless we get a hearing.

The vast difference in headlines is shown by keyed returns which this book advocates. The identical ad run with various headlines differs tremendously in its returns. It is not uncommon for a change in headlines to multiply returns from five to ten times over.

So we compare headlines until we know what sort of appeal pays best. That differs in every line, of course.

The writer has before him keyed returns on nearly two thousand headlines used on a single product. The story in these ads is nearly identical. But the returns vary enormously, due to the headlines. So with every keyed return in our record appears the headline that we used.

Thus we learn what type of headline has the most wide-spread appeal. The product has many uses. It fosters beauty. It prevents disease. It aids daintiness and cleanliness. We learn to exactness which quality most of our readers seek.
That does not mean that we neglect the others. One sort of appeal may bring half the returns of another, yet be important enough to be profitable. We overlook no field that pays. But we know what proportion of our ads should, in the headline, attract any certain class.

For this same reason we employ a vast variety of ads. If we are using twenty magazines we may use twenty separate ads. This because circulations overlap, and because a considerable percentage of people are attracted by each of several forms of approach. We wish to reach them all.

On a soap, for instance, the headline 'Keep Clean' might attract a very small percentage. It is too commonplace. So might the headline, 'No animal fats.' People may not care much about that. The headline, 'It floats' might prove interesting. But a headline referring to beauty or complexion might attract many times as many.

An automobile ad might refer in the headline to a good universal joint. It might fall flat, because so few buyers think of universal joints. The same ad with a headline, 'The Sportiest of Sport Bodies,' might outpull the other by fifty to one.

This is enough to suggest the importance of headlines. Anyone who keys ads will be amazed at the difference. The appeals we like best will rarely prove best, because we do not know enough people to average up their desires. So we learn on each line by experiment.

But back of all lie fixed principles. You are presenting an ad to millions. Among them is a percentage, small or large, whom you hope to interest. Go after that percentage and try to strike the chord that responds. If you are advertising corsets, men and children don't interest you. If you are advertising cigars, you have no use for non-smokers. Razors won't attract women, rouge will not interest men.

Don't think that those millions will read your ads to find out if your product interests. They will decide by a glance -- by your headline or your pictures. Address the people you seek, and them only."

John Caples wrote great ads as VP for one of the world's largest ad agencies. His most famous headline was, 'They laughed When I Sat Down At The Piano.' His book, 'Tested Advertising Methods,' is a marketing classic. Any serious student of advertising should immediately get his hands on this must reading. He tells us:

"1. First and foremost, try to get self-interest into every headline you write. Make your headline suggest to the reader that here is something he wants. This rule is so fundamental that it would seem obvious. Yet the rule is violated every day by scores of writers.

2. If you have news, such as a new product, or a new use for an old product, be sure to get that news into your headline in a big way.

3. Avoid headlines that merely provoke curiosity. Curiosity combined with news or self-interest is an excellent aid to the pulling power of your headline, but curiosity by itself is seldom enough. This fundamental rule is violated more often than any other. Every issue of every magazine and newspaper contains headlines that attempt to sell the reader through curiosity alone."
4. Avoid, when possible, headlines that paint the gloomy or negative side of the picture. Take the cheerful, positive angle.

5. Try to suggest in your headline that here is a quick and easy way for the reader to get something he wants.

In using this last suggestion -- the quick and easy way -- be sure, as mentioned previously, to make your headline believable. Here is the headline of an advertisement that was tested by a correspondence school:

TO MEN WHO WANT TO WORK LESS
AND EARN MORE

This seems to sum up in a few words what men have wanted ever since the world began. Yet the advertisement did not bring many replies, probably because the headline was unbelievable. It seemed too good to be true."

Since headlines are so important, you need to hear what many experts say about them and study examples of great headlines. Here is a list of the 100 greatest headlines ever written:

"1. THE SECRET OF MAKING PEOPLE LIKE YOU
2. A LITTLE MISTAKE THAT COST A FARMER $3,000 A YEAR
3. ADVICE TO WIVES WHOSE HUSBANDS DON'T SAVE MONEY -- BY A WIFE
4. THE CHILD WHO WON THE HEARTS OF ALL
5. ARE YOU EVER TONGUE-TIED AT A PARTY?
6. HOW A NEW DISCOVERY MADE A PLAIN GIRL BEAUTIFUL
7. HOW TO WIN FRIENDS AND INFLUENCE PEOPLE
8. THE LAST TWO HOURS ARE THE LONGEST -- AND THOSE ARE THE TWO HOURS YOU SAVE
9. WHO ELSE WANTS A SCREEN STAR FIGURE?
10. DO YOU MAKE THESE MISTAKES IN ENGLISH?
11. WHY SOME FOODS 'EXPLODE' IN YOUR STOMACH
12. HANDS THAT LOOK LOVELIER IN 24 HOURS -- OR YOUR MONEY BACK
13. YOU CAN LAUGH AT MONEY WORRIES -- IF YOU FOLLOW THIS SIMPLE PLAN
14. WHY SOME PEOPLE ALMOST ALWAYS MAKE MONEY IN THE STOCK MARKET
15. WHEN DOCTORS 'FEEL ROTTEN' THIS IS WHAT THEY DO
16. IT SEEMS INCREDIBLE THAT YOU CAN OFFER THESE SIGNED ORIGINAL ETCHINGS -- FOR ONLY $5 EACH
17. FIVE FAMILIAR SKIN TROUBLES -- WHICH DO YOU WANT TO OVERCOME?
18. WHICH OF THESE $2.50 TO $5 BEST SELLERS DO YOU WANT -- FOR ONLY $1 EACH?
19. WHO EVER HEARD OF A WOMAN LOSING WEIGHT -- AND ENJOYING 3 DELICIOUS MEALS AT THE SAME TIME?
20. HOW I IMPROVED MY MEMORY IN ONE EVENING
21. DISCOVER THE FORTUNE THAT LIES HIDDEN IN YOUR SALARY
22. DOCTORS PROVE TWO OUT OF THREE WOMEN CAN HAVE MORE
BEAUTIFUL SKIN IN 14 DAYS
23. HOW I MADE A FORTUNE WITH A 'FOOL IDEA'
24. HOW OFTEN DO YOU HEAR YOURSELF SAYING: 'NO, I HAVEN'T READ IT; I'VE BEEN MEANING TO!'
25. THOUSANDS HAVE THIS PRICELESS GIFT -- BUT NEVER DISCOVER IT!
26. WHOSE FAULT WHEN CHILDREN DISOBEY?
27. HOW A 'FOOL STUNT' MADE ME A STAR SALESMAN
28. HAVE YOU THESE SYMPTOMS OF NERVE EXHAUSTION?
29. GUARANTEED TO GO THROUGH ICE, MUD, OR SNOW -- OR WE PAY THE TOW!
30. HAVE YOU A 'WORRY' STOCK?
31. HOW A NEW KIND OF CLAY IMPROVED MY COMPLEXION IN 30 MINUTES
32. 161 NEW WAYS TO A MAN'S HEART -- IN THIS FASCINATING BOOK FOR COOKS
33. PROFITS THAT LIE HIDDEN IN YOUR FARM
34. IS THE LIFE OF A CHILD WORTH $1 TO YOU?
35. EVERYWHERE WOMEN ARE RAVING ABOUT THIS AMAZING NEW SHAMPOO!
36. DO YOU DO ANY OF THESE TEN EMBARRASSING THINGS?
37. SIX TYPES OF INVESTORS -- WHICH GROUP ARE YOU IN?
38. HOW TO TAKE OUT STAINS...USE (PRODUCT NAME) AND FOLLOW THESE EASY DIRECTIONS
39. TODAY...ADD $10,000 TO YOUR ESTATE -- FOR THE PRICE OF A NEW HAT
40. DOES YOUR CHILD EVER EMBARRASS YOU?
41. IS YOUR HOME PICTURE-POOR?
42. HOW TO GIVE YOUR CHILDREN EXTRA IRON -- THESE 3 DELICIOUS WAYS
43. TO PEOPLE WHO WANT TO WRITE -- BUT CAN'T GET STARTED
44. THIS ALMOST-MAGICAL LAMP LIGHTS HIGHWAY TURNS BEFORE YOU MAKE THEM
45. THE CRIMES WE COMMIT AGAINST OUR STOMACHS
46. THE MAN WITH THE 'GRASSHOPPER MIND'
47. THEY LAUGHED WHEN I SAT DOWN AT THE PIANO -- BUT WHEN I STARTED TO PLAY!
48. THROW AWAY YOUR OARS!
49. HOW TO DO WONDERS WITH A LITTLE LAND!
50. WHO ELSE WANTS LIGHTER CAKE -- IN HALF THE MIXING TIME?
51. LITTLE LEAKS THAT KEEP MEN POOR
52. PIERCED BY 301 NAILS...RETAINS FULL AIR PRESSURE
53. NO MORE BACK-BREAKING GARDEN CHORES FOR ME -- YET OURS IS NOW THE SHOW-PLACE OF THE NEIGHBORHOOD!
54. OFTEN A BRIDESMAID, NEVER A BRIDE
55. HOW MUCH IS 'WORKER TENSION' COSTING YOUR COMPANY?
56. TO MEN WHO WANT TO QUIT WORK SOMEDAY
57. HOW TO PLAY YOUR HOUSE TO SUIT YOURSELF.
58. BUY NO DESK -- UNTIL YOU'VE SEEN THIS SENSATION OF THE BUSINESS SHOW
59. CALL BACK THESE GREAT MOMENTS AT THE OPERA
60. 'I LOST MY BULGES...AND SAVED MONEY TOO'
61. WHY (BRAND NAME) BULBS GIVE MORE LIGHT THIS YEAR
62. RIGHT AND WRONG FARMING METHODS -- AND LITTLE POINTERS THAT WILL INCREASE YOUR PROFITS
63. NEW CAKE-IMPROVER GETS YOU COMPLIMENTS GALORE!
64. IMAGINE ME...HOLDING AN AUDIENCE SPELLBOUND FOR 30 MINUTES
65. THIS IS MARIE ANTOINETTE -- RIDING TO HER DEATH
66. DID YOU EVER SEE A 'TELEGRAM' FROM YOUR HEART?
67. NOW ANY AUTO REPAIR JOB CAN BE 'DUCK SOUP' FOR YOU
68. NEW SHAMPOO LEAVES YOUR HAIR SMOOTHER -- EASIER TO MANAGE
69. IT'S A SHAME FOR YOU NOT TO MAKE GOOD MONEY -- WHEN THESE MEN DO IT SO EASILY
70. YOU NEVER SAW SUCH LETTERS AS HARRY AND I GOT ABOUT OUR PEARS
71. THOUSANDS NOW PLAY WHO NEVER THOUGHT THEY COULD
72. GREAT NEW DISCOVERY KILLS KITCHEN ODORS QUICKLY--MAKES INDOOR AIR 'COUNTRY-FRESH'
73. MAKE THIS 1-MINUTE TEST -- OF AN AMAZING NEW KIND OF SHAVING CREAM
74. ANNOUNCING...THE NEW EDITION OF THE ENCYCLOPEDIA THAT MAKES IT FUN TO LEARN THINGS
75. AGAIN SHE ORDERS...'A CHICKEN SALAD, PLEASE'
76. FOR THE WOMAN WHO IS OLDER THAN SHE LOOKS
77. WHERE YOU CAN GO IN A GOOD USED CAR
78. CHECK THE KIND OF BODY YOU WANT
79. 'YOU KILL THAT STORE -- OR I'LL RUN YOU OUT OF THE STATE'!
80. HERE'S A QUICK WAY TO BREAK UP A COLD
81. THERE'S ANOTHER WOMAN WAITING FOR EVERY MAN -- AND SHE'S TOO SMART TO HAVE 'MORNING MOUTH'
82. THIS PEN 'BURPS' BEFORE IT DRINKS -- BUT NEVER AFTERWARDS!
83. IF YOU WERE GIVEN $200,000 TO SPEND -- ISN'T THIS THE KIND OF (TYPE OF PRODUCT, BUT NOT BRAND NAME) YOU WOULD BUILD?
84. 'LAST FRIDAY...WAS I SCARED! -- MY BOSS ALMOST FIRED ME!'
85. 76 REASONS WHY IT WOULD HAVE PAID YOU TO ANSWER OUR AD A FEW MONTHS AGO
86. SUPPOSE THIS HAPPENED ON YOUR WEDDING DAY!
87. DON'T LET ATHLETE'S FOOD 'LAY YOU UP'
88. ARE THEY BEING PROMOTED RIGHT OVER YOUR HEAD?
89. ARE WE A NATION OF LOW-BROWS?
90. A WONDERFUL TWO YEARS' TRIP AT FULL PAY -- BUT ONLY MEN WITH IMAGINATION CAN TAKE IT
91. WHAT EVERYBODY OUGHT TO KNOW...ABOUT THIS STOCK AND BOND BUSINESS
92. MONEY-SAVING BARGAINS FROM AMERICA'S OLDEST DIAMOND DISCOUNT HOUSE
93. FORMER BARBER EARN $8,000 IN FOUR MONTHS AS A REAL ESTATE SPECIALIST
94. FREE BOOK -- TELLS YOU TWELVE SECRETS OF BETTER LAWN CARE
95. GREATEST GOLD-MINE OF EASY 'THINGS-TO-MAKE' EVER CRAMMED INTO ONE BIG BOOK

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Your ads need to follow certain guidelines. Claude Hopkins, the old master, gives you a deep grasp and insight into what makes a great ad.

"To properly understand advertising or to learn even its rudiments one must start with the right conception. Advertising is salesmanship. Its principles are the principles of salesmanship. Successes and failures in both lines are due to like causes. Thus every advertising question should be answered by the salesman's standards.

Let me emphasize that point. The only purpose of advertising is to make sales. It is profitable or unprofitable according to its actual sales.

It is not for general effect. It is not to keep your name before the people. It is not primarily to aid your other salesmen.

Treat it as a salesman. Force it to justify itself. Compare it with other salesmen. Figure its cost and result. Accept no excuses which good salesmen do not make. Then you will not go far wrong.

The difference is only in degree. Advertising is multiplied salesmanship. It may appeal to thousands while the salesman talks to one. It involves a corresponding cost. Some people spend $10 per word on an average advertisement. Therefore every ad should be a super-salesman.

A salesman's mistake may cost little. An advertising mistake may cost a thousand times as much. Be more cautious, more exacting, therefore.

A mediocre salesman may affect a small part of your trade. Mediocre advertising affects all of your trade.

Many think of advertising as ad-writing. Literature qualifications have no more to do with it than oratory has with salesmanship.

One must be able to express himself briefly, clearly and convincingly, just as a salesman must. But fine writing is a distinct disadvantage. So is unique literary style. They take attention from the subject. They reveal the hook. Any studied attempt to sell, if apparent, creates corresponding resistance.

That is so in personal salesmanship as in salesmanship-in-print. Fine talkers are rarely good salesmen. They inspire buyers with the fear of over-influence. They create the suspicion that an effort is made to sell them on other lines than merit.

Successful salesmen are rarely good speech makers. They have few oratorical graces. They are plain and sincere men who know their customers and know their lines. So it
is in ad-writing.

Many of the ablest men in advertising are graduate salesmen. The best we know have been house-to-house canvassers. They may know little of grammar, nothing of rhetoric, but they know how to use words that convince.

There is one simple and right way to answer many advertising questions. Ask yourself, 'Would this help a salesman sell the goods?' 'Would it help me sell them if I met the buyer in person?'

A fair answer to those questions avoids countless mistakes. But when one tries to show off, or does things merely to please himself, he is unlikely to strike a chord which leads people to spend money.

Some argue for slogans, some like clever conceits. Would you use them in personal salesmanship? Can you imagine a customer whom such things would impress? If not, don't rely on them for selling in print.

Some say, 'Be very brief. People will read but little.' Would you say that to a salesman? With a prospect standing before him, would you confine him to any certain number of words? That would be an unthinkable handicap.

So in advertising. The only readers we get are people whom our subject interests. No one reads ads for amusement, long or short. Consider them as prospects standing before you, seeking for information. Give them enough to get action.

Some advocate large type and big headlines. Yet they do not admire salesmen who talk in loud voices. People read all they care to read in 8-point type. Our magazines and newspapers are printed in that type. Folks are accustomed to it. Anything larger is like loud conversation. It gains no attention worth while. It may not be offensive, but it is useless and wasteful. It multiplies the cost of your story. And to many it seems loud and blatant.

Others look for something queer and unusual. They want ads distinctive in style or illustration. Would you want that in a salesman? Do not men who act and dress in normal ways make a far better impression?

Some insist on dressy ads. That is all right to a certain degree, but it is quite unimportant. Some poorly-dressed ads, like poorly-dressed men, prove to be excellent salesmen. Over-dress in either is a fault.

So with countless questions. Measure them by salesmen's standards, not by amusement standards. Ads are not written to entertain. When they do, those entertainment seekers are little likely to be the people whom you want.

That is one of the greatest advertising faults. Ad-writers abandon their parts. They forget they are salesmen and try to be performers. Instead of sales, they seek applause.

When you plan and prepare an advertisement, keep before you a typical buyer. Your subject, your headline has gained his or her attention. Then in everything be guided by what you would do if you met the buyer face-to-face. If you are a normal man and a good salesman you will then do your level best.
Don't think of people in the mass. That gives you a blurred view. Think of a typical individual, man or woman, who is likely to want what you sell. Don't try to be amusing. Money spending is a serious matter. Don't boast, for all people resent it. Don't try to show off. Do just what you think a good salesman should do with a half-sold person before him.

Remember that the people you address are selfish, as we all are. They care nothing about your interest or your profit. They seek service for themselves. Ignoring this fact is a common mistake and a costly mistake in advertising. Ads say in effect, 'Buy my brand. Give me the trade you give to others. Let me have the money.' That is not a popular appeal.

The best ads ask no one to buy. That is useless. Often they do not quote a price. They do not say that dealers handle the product.

The ads are based entirely on service. They offer wanted information. They cite advantages to users. Perhaps they offer a sample, or to buy the first package, or to send something on approval, so the customer may prove the claims without any cost or risk.

Some of these ads seem altruistic. But they are based on a knowledge of human nature. The writers know how people are led to buy.

Here again is salesmanship. The good salesman does not merely cry a name. He doesn't say, 'Buy my article.' He pictures the customer's side of his service until the natural result is to buy.

A brush maker has some 2,000 canvassers who sell brushes from house to house. He is enormously successful in a line which would seem very difficult. And it would be if his men asked the housewives to buy.

But they don't. They go to the door and say, 'I was sent here to give you a brush. I have samples here and I want you to take your choice.'

The housewife is all smiles and attention. In picking out one brush she sees several she wants. She is also anxious to reciprocate the gift. So the salesman gets an order.

Another concern sells coffee, etc., by wagons in some 500 cities. The man drops in with a half-pound of coffee and says, 'Accept this package and try it. I'll come back in a few days to ask how you like it.'

Even when he comes back he doesn't ask for an order. He explains that he wants to send the woman a fine kitchen utensil. It isn't free, but if she likes the coffee he will credit five cents on each pound she buys until she has paid for the article. Always some service.

The maker of an electric sewing machine motor found advertising difficult. So, on good advice, he ceased soliciting a purchase. He offered to send to any home, through any dealer, a motor for one week's use. With it would come a man to show how to operate. 'Let us help you for a week without cost or obligation,' said the ad. Such an offer was resistless, and about nine in ten of the trials let to sales.

So in many, many lines. Cigar makers sent out boxes to anyone and say, 'Smoke ten, then keep them or return them, as you wish.'
Makers of books, typewriters, washing machines, kitchen cabinets, vacuum sweepers, etc., send out their product without any prepayment. They say, 'Use them a week, then do as you wish.' Practically all merchandise sold by mail is sent subject to return.

The competent advertising man must understand psychology. The more he knows about it the better. He must learn that certain effects lead to certain reactions, and use that knowledge to increase results and avoid mistakes.

Human nature is perpetual. In most respects it is the same today as in the time of Caesar. So the principles of psychology are fixed and enduring. You will never need to unlearn what you learn about them.

We learn, for instance, that curiosity is one of the strongest of human incentives. We employ it whenever we can. Puffed Wheat and Puffed Rice were made successful largely through curiosity. 'Grains puffed to 8 times normal size.' 'Foods shot from guns.'

We learn that cheapness is not a strong appeal. Americans are extravagant. They want bargains but not cheapness. They want to feel that they can afford to eat and have and wear the best. Treat them as though they could not and they resent your attitude.

We learn that people judge largely by price. They are not experts. In the British National Gallery is a painting which is announced in the catalog to have cost $750,000. Most people at first pass it by at a glance. Then later they get farther on in the catalog and learn what the painting cost. They return then and surround it.

A department store advertised at one Easter time a $1,000 hat, and the floor could not hold the women who came to see it.

We often employ this factor in psychology. Perhaps we are advertising a valuable formula. To merely say that would not be impressive. So we state -- as a fact -- that we paid $100,000 for that formula. That statement when tried has won a wealth of respect.

Many articles are sold under guarantee -- so commonly sold that guarantees have ceased to be impressive. But one concern made a fortune by offering a dealer's signed warrant. The dealer to whom one paid his money agreed in writing to pay it back if asked. Instead of a far-away stranger, a neighbor gave the warrant. The results have led many to try that plan, and it has always proved effective.

Many have advertised, 'Try it for a week. If you don't like it we'll return your money.' Then someone conceived the idea of sending goods without any money down, and saying, 'Pay in a week if you like them.' That proved many times as impressive.

One great advertising man stated the difference in this way: 'Two men came to me, each offering me a horse. Both made equal claims. They were good horses, kind and gentle. A child could drive them. One man said, 'Try the horse for a week. If my claims are not true, come back for your money.' The other man also said, 'Try the horse for a week.' But he added, 'Come and pay me then.' I naturally bought the second man's horse.'

Now countless things -- cigars, typewriters, washing machines, books, etc. -- are sent out in this way on approval. And we find that people are honest. The losses are very small.

An advertiser offered a set of books to business men. The advertising was unprofitable, so he consulted another expert. The ads were impressive. The offer seemed attractive.
'But,' said the second man, 'let us add one little touch which I have found effective. Let us offer to put the buyer's name in gilt lettering on each book.' That was done, and with scarcely another change in the ads they sold some hundreds of thousands of books. Through some peculiar kind in human psychology that name in gilt gave much added value to the books.

Many send out small gifts, like memorandum books, to customers and prospects. They get very small results. One man sent out a letter to the effect that he had a leather-covered book with the man's name on it. It was waiting for him and would be sent on request. The form of request was enclosed, and it also asked for certain information. That information indicated lines on which the man might be sold.

Nearly all men, it was found, filled out that request and supplied the information. When a man knows that something belongs to him -- something with his name on -- he will make the effort to get it, even though the thing is a trifle.

In the same way it is found that an offer limited to a certain class of people is far more effective than a general offer. For instance, an offer limited to veterans of the war. Or to members of a lodge or sect. Or to executives. Those who are entitled to any seeming advantage will go a long way not to lose that advantage.

An advertiser suffered much from substitution. He said, 'Look out for substitutes.' 'Be sure you get this brand,' etc., with no effect. Those were selfish appeals.

They he said, 'Try our rivals' too' -- said it in his headlines. He invited comparisons and showed that he did not fear them. That corrected the situation. Buyers were careful to get the brand so conspicuously superior that its maker could court a trial of the rest.

Two advertisers offered food products nearly identical. Both offered a full-size package as an introduction. But one gave his package free. The other bought the package. A coupon was good at any store for a package, for which the maker paid retail price.

The first advertiser failed and the second succeeded. The first even lost a large part of the trade he had. He cheapened his product by giving a 15-cent package away. It is hard to pay for an article which has once been free. It is like paying railroad fare after traveling on a pass.

The other gained added respect for his article by paying retail price to let the user try it. An article good enough for the maker to buy is good enough for the user to buy. It is vastly different to pay 15 cents to let you try an article than to simply say 'It's free.'

So with sampling. Hand an unwanted product to a housewife and she pays it slight respect. She is in no mood to see its virtues. But get her to ask for a sample after reading your story, and she is in a very different position. She knows your claims. She is interested in them, else she would not act. And she expects to find the qualities you told.

There is a great deal in mental impression. Submit five articles exactly alike and five people may each choose one of them. But point out in one some qualities to notice and everyone will find them. The five people then will all choose the same article.

If people can be made sick or well by mental impressions, they can be made to favor a certain brand in that way. And that, on some lines, is the only way to win them.
Two concerns, side by side, sold women's clothing on installments. The appeal, of course, was to poor girls who desired to dress better. One treated them like poor girls and made the bare business offer.

The other put a woman in charge -- a motherly, dignified, capable woman. They did business in her name. They used her picture. She signed all ads and letters. She wrote to these girls like a friend. She knew herself what it meant to a girl not to be able to dress her best. She had long sought a chance to supply women good clothes and give them all season to pay. Now she was able to do so, with the aid of the men behind her.

There was no comparison in those two appeals. It was not long before this woman's long-established next-door rival had to quit.

The backers of this business sold house furnishings on installments. Sending out catalogs promiscuously did not pay. Offering long-time credit often seems like a reflection.

But when a married woman bought garments from Mrs. __, and paid as agreed, they wrote to her something like this: 'Mrs. __, whom we know, tells us that you are one of her good customers. She has dealt with you, she says, and you do just as you agree. So we have opened with you a credit account on our books, good any time you wish. When you want anything in furnishings, just order it. Pay nothing in advance. We are very glad to send it without any investigation to a person recommended as you are.'

That was flattering. Naturally those people, when they wanted some furniture, would order from that house.

Platitudes and generalities roll off the human understanding like water from a duck. They leave no impression whatever. To say, 'Best in the world,' 'Lowest prices in existence,' etc. are at best simple claiming the expected. But superlatives of that sort are usually damaging. They suggest looseness of expression, a tendency to exaggerate, a carelessness of truth. They lead readers to discount all the statements that you make.

People recognize a certain license in selling talk as they do in poetry. A man may say, 'Supreme in quality' without seeming a liar, though one may know that other brands are equally as good. One expects a salesman to put his best foot forward, and excuses some exaggeration born of enthusiasm. But just for that reason general statements count for little. And a man inclined to superlatives must expect that his every statement will be taken with some caution.

But a man who makes a specific claim is either telling the truth or a lie. People do not expect an advertiser to lie. They know that he can't lie in the best mediums. The growing respect for advertising has largely come through a growing regard for its truth.

So a definite statement is usually accepted. Actual figures are not generally discounted. Specific facts, when stated, have their full weight and effect.

This is very important to consider in written or personal salesmanship. The weight of an argument may often be multiplied by making it specific. Say that a tungsten lamp gives more light than a carbon and you leave some doubt. Say that it gives three and one-third times the light and people realize that you have made tests and comparisons.

A dealer may say, 'Our prices have been reduced' without creating any market
Impression. But when he says, 'Our prices have been reduced 25 per cent' he gets the full value of his announcement.

A mail order advertiser sold women's clothing to people of the poorer classes. For years he used the slogan, 'Lowest prices in America.' His rivals all copied that. Then he guaranteed to undersell any other dealer. His rivals did likewise. Soon those claims became common to every advertiser in his line, and they became commonplace.

Then, under able advice, he changed his statement to 'Our net profit is 3 per cent.' That was a definite statement and it proved very impressive. With their volume of business it was evident that their prices must be minimum. No one could be expected to do business on less than 3 per cent. The next year their business made a sensational increase.

At one time in the automobile business there was a general impression that profits were excessive. One well-advised advertiser came out with the statement, 'Our profit is 9 per cent.' Then he cited actual costs in the hidden parts of a $1,500 car. They amounted to $735, without including anything one could easily see. This advertiser made a great success along those lines at that time.

Shaving soaps have long been advertised 'Abundant lather,' 'Does not dry on the face,' 'Acts quickly,' etc. One advertiser had as good a chance as another to impress those claims.

Then a new maker came into the field. It was a tremendously difficult field, for every customer had to be taken from someone else. He stated specific facts. He said, 'Multiplies itself in lather 250 times.' 'Softens the beard in one minute.' 'Maintains its creamy fullness for ten minutes on the face.' 'The final result of testing and comparing 130 formulas.' Perhaps never in advertising has there been a quicker and greater success in an equally difficult field.

Makers of safety razors have long advertised quick shaves. One maker advertised a 78-second shave. That was definite. It indicated actual tests. That man at once made a sensational advance in his sales.

In the old days all beers were advertised as 'Pure.' The claim made no impression. The bigger the type used, the bigger the folly. After millions had been spent to impress a platitude, one brewer pictures a plate glass room where beer was cooled in filtered air. He pictured a filter of white wood pulp through which every drop was cleared. He told how bottles were washed four times by machinery. How he went down 4,000 feet for pure water. How 1,018 experiments had been made to attain a yeast to give beer that matchless flavor. And how all the yeast was forever made from that adopted mother cell.

All the claims were such as any brewer might have made. They were mere essentials in ordinary brewing. But he was the first to tell the people about them, while others cried merely 'pure beer.' He made the greatest success that was ever made in beer advertising.

'Used the world over' is a very elastic claim. Then one advertiser said, 'Used by the peoples of 52 nations,' and many another has followed.

One statement may take as much room as another, yet a definite statement be many times as effective. The difference is vast. If a claim is worth making, make it in the most impressive way.
Whatever claim you use to gain attention, the advertisement should tell a story reasonably complete. If you watch returns, you will find that certain claims appeal far more than others. But in usual lines a number of claims appeal to a large percentage. Then present those claims in every ad for their effect on that percentage.

Some advertisers, for the sake of brevity, present one claim at a time. Or they write a serial ad, continued in another issue. There is no greater folly. Those serials almost never connect.

When you once get a person's attention, then is the time to accomplish all you ever hope with him. Bring all your good arguments to bear. Cover every phase of your subject. One fact appeals to some, one to another. Omit any one and a certain percentage will lose the fact which might convince.

People are not apt to read successive advertisements on any single line. No more than you read a news item twice, or a story. In one reading of an advertisement one decides for or against a proposition. And that operates against a second reading. So present to the reader, when once you get him, every important claim you have.

The best advertisers do that. They learn their appealing claims by tests -- by comparing results from various headlines. Gradually they accumulate a list of claims important enough to use. All those claims appear in every ad thereafter.

The advertisements seem monotonous to the man who read them all. A complete story is always the same. But one must consider that the average reader is only once a reader, probably. And what you fail to tell him in that ad is something he may never know.

Some advertisers go so far as to never change their ads. Single mail order ads often run year after year without diminishing returns. So with some general ads. They are perfected ads, embodying in the best way known all that one has to say. Advertisers do not expect a second reading. Their constant returns come from getting new readers.

In every ad consider only new customers. People using your product are not going to read your ads. They have already read and decided. You might advertise month after month to present users that the product they use is poison, and they would never know it. So never waste one line of your space to say something to present users, unless you can say it in headlines. Bear in mind always that you address an unconverted prospect.

Any reader of your ad is interested, else he would not be a reader. You are dealing with someone willing to listen. Then do your level best. That reader, if you lose him now, may never again be a reader.

You are like a salesman in a busy man's office. He may have tried again and again to get entree. He may never be admitted again. This is his one chance to get action, and he must employ it to the full.

This again brings up the question of brevity. The most common expression you hear about advertising is that people will not read much. Yet a vast amount of the best-paying advertising shows that people do read much. Then they write for a book, perhaps -- for added information.

There is no fixed rule on this subject of brevity. One sentence may tell a complete story on a line like chewing gum. It maya be an article like Cream of Wheat. But, whether
long or short, an advertising story should be reasonably complete.

A certain man desired a personal car. He cared little about the price. He wanted a car to take pride in, else he felt he would never drive it. But, being a good business man, he wanted value for his money.

His inclination was toward a Rolls-Royce. He also considered a Pierce-Arrow, a Locomobile and others. But these famous cars offered no information. Their advertisements were very short. Evidently the makers considered it undignified to argue comparative merits.

The Marmon, on the contrary, told a complete story. He read columns and books about it. So he bought a Marmon, and was never sorry. But he afterwards learned facts about another car at nearly three times the price which would have sold him that car had he known them.

What folly it is to cry a name in a line like that, plus a few brief generalities. A car may be a lifetime investment. It involves an important expenditure. A man interested enough to buy a car will read a volume about it if the volume is interesting.

So with everything. You may be simple trying to change a woman from one breakfast food to another, or one tooth paste, or one soap. She is wedded to what she is using. Perhaps she has used it for years.

You have a hard proposition. If you do not believe it, go to her in person and try to make the change. Not to merely buy a first package to please you, but to adopt your brand. A man who once does that at a women's door won't argue for brief advertisements. He will never again say, 'A sentence will do,' or a name or a claim or a boast."

David Ogilvy gives more advice on what you are trying to do in your ad.

"When you sit down to write your body copy, pretend that you are talking to the woman on your right at a dinner party. She has asked you, 'I am thinking of buying a new car. Which would you recommend?' Write your copy as if you were answering that question.

1. Don't beat about the bush -- go straight to the point. Avoid analogies of the 'just as, so too' variety. Dr. Gallup has demonstrated that these two-stage arguments are generally misunderstood.

2. Avoid superlatives, generalizations, and platitudes. Be specific and factual. Be enthusiastic, friendly, and memorable. Don't be a bore. Tell the truth, but make the truth fascinating.

How long should your copy be? It depends on the product. If you are advertising chewing gum, there isn't much to tell, so make your copy short. If, on the other hand, you are advertising a product which has a great many different qualities to recommend it, write long copy: the more you tell, the more you sell.

There is a universal belief in lay circles that people won't read long copy. Nothing could be farther from the truth. I once wrote a page of solid text for Good Luck Margarine, with most gratifying results.
Research shows that readership falls off rapidly up to fifty words of copy, but drops very little between fifty and 500 words. In my first Rolls-Royce advertisement I used 710 words -- piling one fascinating fact on another. In the last paragraph I wrote, 'People who feel diffident about driving a Rolls-Royce can buy a Bentley.' Judging from the number of motorists who picked up the word 'diffident' and bandied it about, I concluded that the advertisement was thoroughly read. In the next one I used 1400 words.

Every advertisement should be a complete sales pitch for your product. It is unrealistic to assume that consumers will read a series of advertisements for the same product. You should shoot the works in every advertisement, on the assumption that it is the only chance you will ever have to sell your product to the reader -- now or never.

Says Dr. Charles Edwards of the graduate School of Retailing at New York University, 'The more facts you tell, the more you sell. An advertisement's chance for success invariably increases as the number of pertinent merchandise facts included in the advertisement increases.'

We have been able to get people to read long copy about gasoline. One of our Shell advertisements contained 617 words, and 22 per cent of male readers read more than half of them.

Vic Schwab tells the story of Max Hart (of Hart, Schaffner & Marx) and his advertising manager, George L. Dyer, arguing about long copy. Dyer said, 'I'll bet you ten dollars I can write a newspaper page of solid type and you'd read every word of it.'

Hart scoffed at the idea. 'I don't have to write a line of it to prove my point,' Dyer replied. 'I'll only tell you the headline: This Page Is All About Max Hart.'

Advertisers who put coupons in their advertisements know that short copy doesn't sell. In split-run tests, long copy invariably outsells short copy.

3. You should always include testimonials in your copy. The reader finds it easier to believe the endorsement of a fellow consumer than the puffery of an anonymous copywriter. Says Jim Young, one of the best copywriters alive today, 'Every type of advertiser has the same problem; namely to be believed. The mail-order man knows nothing so potent for this purpose as the testimonial, yet the general advertiser seldom uses it.'

Testimonials from celebrities get remarkably high readership, and if they are honestly written they still do not seem to provoke incredulity. The better known the celebrity, the more readers you will attract. We have featured Queen Elizabeth and Winston Churchill in 'Come to Britain' advertisements, and we were able to persuade Mrs. Roosevelt to make television commercials for Good Luck Margarine. When we advertised charge accounts for Sears, Roebuck, we reproduced the credit card of Ted Williams, 'recently traded by Boston to Sears.'

4. Another profitable gambit is to give the reader helpful advice, or service. It hooks about 75 per cent more readers than copy which deals entirely with the product.

5. I have never admired the belles lettres school of advertising, which reached its pompous peak in Theodore F. MacManus' famous advertisement for Cadillac, 'The Penalty of Leadership,' and Ned
Jordan’s classic, ‘Somewhere West of Laramie.’ Forty years ago the business community seems to have been impressed by these pieces of purple prose, but I have always thought them absurd; they did not give the reader a single fact. I share Claude Hopkins’ view that ‘fine writing is a distinct disadvantage. So is unique literary style. They take attention away from the subject.’

6. Avoid bombast. Raymond Rubicam’s famous slogan for Squibb, ‘The priceless ingredient of every product is the honor and integrity of its maker,’ reminds me of my father’s advice: when a company boasts about its integrity, or a woman about her virtue, avoid the former and cultivate the latter.

7. Unless you have some special reason to be solemn and pretentious, write your copy in the colloquial language which your customers use in everyday conversation.

Breakthrough Advertising by Eugene Schwartz had this valuable advice reprinted in ‘Board Room Reports’ and reprinted with permission by Jay Abraham:

"Let’s get right down to the heart of the matter. The power, the force, the overwhelming urge to own that makes advertising work, comes from the market itself, and not from the copy. Copy cannot create desire for a product. It can only take the hopes, dreams, fears and desires that already exist in the hearts of millions of people, and focus those already-existing desires onto a particular product. This is the copywriter’s task: not to create this mass desire -- but to channel and direct it.

The copywriter, in his work, uses three tools: his own knowledge of people’s hopes, dreams, desires and emotions; his client’s product; and the advertising message, which connects the two.

The copywriter performs his work in three stages. In general, they go something like this:

1. Choose the most powerful desire that can possibly be applied to your product.

Every mass desire has three vital dimensions. The first is urgency, intensity and degree of demand to be satisfied. For example, constant arthritic pains compared to a minor headache. The second dimension is staying power, degree of repetition and the inability to become satiated. For example, raw hunger compared to a craving for gourmet foods. And the third dimension is scope -- the number of people who share this desire. For example, the number of men willing to pay $10 for an automotive accessory that saves gas -- as compared to those willing to pay the same price for one that merely prevents future repair bills.

Every product appeals to two, three or four of these mass desires. But only one can predominate; only one can reach out through your headline to your customer. Only one is the key that unlocks the maximum economic power at the particular time your advertisement is published. Your choice among these alternate desires is the most important step you will take in writing your ad. If it is wrong, nothing else that you do in the ad will matter. This choice is embodied in your headline.

To sum up, you try to choose the mass desire that gives you the most power in all three
dimensions, you try to tap a single overwhelming desire existing today in the hearts and minds of millions of people who are actively seeking to satisfy it at this very moment.

2. Acknowledge that desire -- reinforce it -- and/or offer the means to satisfy it -- in a single statement in the headline of your ad. This headline is the bridge between your prospect and your product. It touches your prospect at the point of awareness that he has arrived at today. If he is aware of your product, and realizes that it can satisfy his desire, your headline starts with your product. If he is not aware of your product, but only of the desire itself, your headline starts with desire. And, if he is not yet aware of what he really seeks, but is concerned only with a general problem, your headline starts with that problem and crystallizes it into a specific need.

In any case, your headline -- though it may never mention your product -- is the first vital step in recognizing this mass desire -- justifying and intensifying it -- and directing its solution along with one specific path.

3. And then you take the series of performances that are built into your product -- what your product does -- and you show your prospect how these product performances inevitably satisfy that desire.

In reality, every product you are given to sell is actually two products. One of them is the physical product -- the steel, glass, paper or tobacco that the manufacturer has shaped into a particular pattern, of which he is justly proud. The other is the functional product -- the product in action -- the series of benefits that your product performs for your customer, and on the basis of which he buys your product.

The physical part of your product is of value only because it enables your product to do things for people. The important part of your product is what it does. The rest -- the steel skeleton -- the chrome or metal case that you actually deliver to your customer -- is only your excuse for charging them your price. What they are really paying you for is what the product will do.

No physical part of your product can ever become a headline. No one will buy the size of your client's plant or the weight of your client's steel. These facts can only be used, later on, to document and reinforce the primary performance that you promise your reader in your headline, in the following ways:

By justifying your price. This is the common-sense theory that the longer the car, the more tubes in the television set, the more stitches per inch in the suite, then the greater number of dollars your product can command -- if that product first delivers the performance that your prospect demands.

By documenting the quality of your performance. Tell your prospect the weight of steel in your car's door, and he's more likely to believe that your car will protect his life if he should have an accident on the highway. Tell your prospect the number of times your plant removes the impurities in your face cream, and she's more likely to believe that your cream will remove the impurities in her skin.

By assuring your prospect that that performance will continue throughout the years. Ceramic mufflers mean no repair bills for the life of your car. Chemical-protected paper means you can hand your prize books down to your children. Quick-frozen food means
you can retain taste and vitamins for months after your purchase.

By sharpening the reader’s mental picture of that performance. The Rolls Royce must give you perfect riding silence because every metal part of the chassis is shielded from every other metal part by a protective coat of rubber. Helena Rubenstein’s new face cream must make your skin look younger because it contains the placenta of living animals.

And, above all, by giving your product’s claim of performance a fresh new basis for believability. This is the most important use of the physical product in fields where a new firm or product is attempting to invade an established mass instinct field. Others have made the same claim before. Your product, in order to pull sales away from them, must introduce a new mechanism that performs the claim, or a new quality that assures its performance, or a new freedom from old limitations that improves the performance. This is the point of difference -- often conceived by the copywriter, and built by the manufacturer into the product at his recommendation.

So much for the physical product. It is always subordinated to the functional product - the product in action -- what the product does.

It is the performance of your product, satisfying the mass desire of your market, that provides the selling power of your ad. Your first task, then, in studying your product, is to list the number of different performances it contains -- to group these performances against the mass desires that each of them satisfies -- and then to feature the one performance that will harness the greatest sales power into your product at that particular time.

Take the automobile, for example. Every automobile offers its prospective owner several different and distinct sets of performances.

It offers him transportation. The ability to carry himself, his family, his luggage, and perhaps (in the case of station wagons) his pets and his furniture from place to place.

It offers him dependability. The freedom from breakdown, stalling, poor performance, repair bills, embarrassment and inconvenience.

It offers him economy. Inexpensive transportation; savings in both gas and oil; freedom from repair bills, seen this time from the point of view of the pocket book; durability, high trade-in value, low insurance cost.

It offers him power. Number of horses at his command; take-off at the lights; acceleration on hills and in traffic; top speed, even if he never uses it. All adding up to a feeling of dominance on the highway.

It offers him recognition. Admiration, status, subtle and accepted bragging, envy, the feeling of having arrived. The oohs and ahs of his neighbors, the first ride, the very smell of a new car.

It offers him value. The number of feet of steel he can command for the price. High trade-in value over the years. The fact that the car can last for 100,000 miles, even if he can afford to trade it in every year.

It offers him novelty. Power steering ten years ago -- electric mirrors today. Three-tone
paint jobs yesterday -- iridescent paints now. The thrill of being the leader, the pacesetter, the proven pioneer.

And many more. Some of them hidden, never admitted, discovered only recently by motivation research. Dozens of different performances, built into the same product, each of them reaching out and tapping a different desire -- a distinct public.

And yet, your ad can feature only one of these performances; can effectively tap only one mass desire at a time.

Your headline is limited by physical space. You have only one glance of the reader's eye to stop him. He is preoccupied -- he is not looking for your product or your message -- the span of his attention will admit only one thought to penetrate his indifference during that glance.

If your first thought holds him, he will read the second. If the second holds him, he will read the third. And if the third thought holds him, he will probably read through your ad.

Every product gives you dozens of keys. But only one will fit the lock. Your job is to find that one dominant performance -- squeeze every drop of power out of it in your presentation -- and then convince your reader that performance and satisfaction can come only from your product."

**Australian advertising wizard Chris Newton reminds us of these valuable lessons.**

"1. Avoid the 'Name, Rank, and Serial Number' Ad

In many cases, this is little more than a blown-up version of a business card...stating name, address, phone number, and, perhaps, a slogan. Sometimes it's a product and a price. I call it the 'Name, Rank, and Serial Number' ad. Call it anything, but don't call it advertising.

Why do we see this waste of precious advertising dollars? The media must take some of the responsibility. They hire advertising salespeople to go out and sell space. And when the advertiser agrees to an ad they say, 'Could you come up with an ad?' The rep is expected by their employer to do just this...with no particular skill or knowledge of what makes ads work in many cases. So, naturally, he or she does the best they can. Hence, they take the advertiser's card and turn that into an ad. This is a case of the blind leading the blind.

Another reason for these useless ads is the belief that plenty of white space is good because it gives eye appeal, and 'nobody reads a lot of words anyway!'

This is not true. While it might make the life of the ad rep and the typesetter easier, years of testing of ad techniques proves that 'the more you tell, the more you sell.'

2. Getting Your Name Across Is Not Enough

Don't believe that just because your business' name is in an ad it is 'getting your name across,' even if you do see any immediate response to the ad. It isn't. To 99.9% of people, your name means nothing unless you give them a hint as to what's in it for them. You've got to communicate your message through salesmanship.
3. Never Assume

Never assume that because you know what you mean, your reader will.

You live and breathe your business. You know all the product codes, features, advantages, and benefits of your lines, what they do, why they are more expensive, or cheaper, and so on.

Don’t expect your prospects, or even your existing customers, to be as familiar. World renowned retailer Murray Raphel called this the ‘curse of assumption.’

You’ve seen ads that do assume. For example, a recent ad we saw limits itself to the following headline and mentions only three products.

* 'Giant stock liquidation..all stock must go...' The question is, if the seller has such giant stocks, what are they? In the ad just three items are listed.

This ad measured 12 cm X 4 columns. The advertiser could have packed in loads of selling information.

I may have no interest in the Matchbox, Lego, or Barbie dolls they mention in the ad, but had they told me they had 100 Monopoly sets, 64 electric trains, four sizes of wading pools, etc., they may just hit on something that will have me (and a lot of other people) rushing to their door. The more they tell, the more they’ll sell. As it is, they assume we know they carry all those things. But how can we?

* In the same vein, 'We carry the whole range.'

The advertiser knows what that means, but I don’t know what’s in the range. If the ad tells me, it may just spark a sale. Even one more sale may be the difference between the failure or success of the ad.

* Here’s another headline: 'Model 123Gt5 only $45.'

What is a model 123gt5? Because they know it so well, the advertiser just assumes everybody should know. If, however, the headline explained that this particular model was the new compact photocopier that will fit into my office without requiring any expensive alterations, that it is quieter and faster and has a double guarantee, etc., then I have some basis for getting interested.

Same goes for the awareness of your business and what it does for the prospect. Remember, you are very close to it. So is your staff. You probably think about your business most of the time. So, naturally, it is hard to remind yourself that most people are totally and blissfully ignorant of your operation. Murray Raphel recounts the story of new customers coming into his store and asking, 'My, this is a nice store. How long have you been here?' To which he softly replies, 'Thirty-one years...'

4. The most Successful Butcher Doesn’t Sell Meat

Butchers’ ads, if they get past the ‘name, rank, and serial number’ style of ad, fall into the next trap. They compete solely on price.
Now prices in an ad are very effective. They give the reader something to go on...reassured that they aren't going to be 'ripped off' when they get in the door. But does the really successful trader only sell on price? A top butcher gets there because customers know they will get constant quality; knowledgeable, obliging service; advice when they have a special dish to prepare; and cleanliness.

The person, for instance, buying for a special dinner party isn't after just meat. They want to be congratulated when the meal is finished. They want to be absolutely sure the dish will be perfect. Clearly, there's an opportunity here. Promote what the customer really wants...

* There is the case of a North American brewery which shot ahead of its competitors when, among other things, they promoted the purity of their brew. Their vats, they said, were cleaned with a super-heated steam. In the wake of their rise in sales, their competitors complained, 'But we use a super-heated steam, too! What is so special about that?' 'Yes,' the first brewers replied, 'but we thought to tell people about it!

* Take the Amoco 'Final Filter'...they don't really have more filters. But, to put it where the consumer can see it makes it an extra feature...

* Volvo recently used a similar technique. They talk of a car body so strong, its entire weight can be supported on just one weld point. Possibly other makes could, too. But Volvo is making a pretty strong point by saying so!

Here's a test: Pick up your Yellow Pages. Turn it to a section totally unfamiliar to you. That is, a series of ads for companies about which you know nothing, so you won't have a 'bias.' Run down the ads and pick the one you'd ring if you were in the market to buy their product or service. Clearly, you'll pick the ad that tells you the most, creates the impression that they have the best range, that they know what they are talking about, etc. It may not be one of the biggest ads. Rather, it will be one that communicates.

5. Expect Immediate Results, Or Don't Write The Ad

Recently we were putting together an ad for a new and rapidly expanding business management and accounting service. The offer was attractive and exciting. It called for a fairly detailed explanation in the copy. Thus, it required a big ad space. This ad would take a hefty slice of their ad budget. This, I explained to them, was money well spent, when the response and resulting business were projected...

'But how can we expect to do that with just one placement of the ad? Won't we have to place it a few times before people become aware of it?' they interjected.

The answer to that is no! Except in exceptional circumstances (for example, customer procurement programs designed to run initially at a loss), every ad should be expected to pay for itself. You should expect immediate results, or don't run the ad.

In practice, possibly 80% of ads run in the hope that they're working...in some immeasurable way. Or in some false hope that repetition will somehow turn a dud into a successful ad. Tested advertising statistics are against it happening. In most cases,
the effectiveness of an ad drops off with each successive appearance.

By expecting your ad to pay immediately, your advertising becomes leaner, more efficient, and effective. You are then in the company of the most dollar-wise and exacting advertisers of all...the direct-response marketers, who generate sales by telephone or mail reply. David Ogilvy says, 'Direct-response advertisers...know to a dollar how much each advertisement sells. You...notice important differences between their techniques and the techniques of general advertisers...I am convinced that if all advertisers were to follow the example of their direct-response brethren, they would get more sales per dollar.'

This Guide shows you how to approach your ads in the way direct marketers do.

6. Guarantee Your Way To Success

You believe in your product, or you wouldn't be selling it.

So why not guarantee it, and shout the fact in your ads. Your sales will climb because of it.

Some operators are reluctant to guarantee for fear of losing more than they gain. But the opposite is true. For a start, consider this...you virtually have to guarantee what you sell. The Trade Practices Act, Consumer Affairs, and various licensing bodies make sure of that.

Some operators even fear they'll be swamped with claims if they promote a money-back guarantee. But it just won't happen. One manufacturer pays out $5,000 in claims a year. But, they turn over $16 million!

Why is a guarantee, especially a 'no-questions-asked, money-back' guarantee, so effective?

Take our butcher. If he advertises such a generous 'satisfaction-or-your-money-back-with-a-smile' guarantee, imagine the confidence he'll create. Providing his product is what he says, how can he go wrong? Even if someone does have a complaint, they'll end up one of his best ambassadors... You know ABC Butchery? Well, I took some meat back the other day. They were really nice about it. Their quality is usually tops. It must have been an isolated piece.'

This is much better than their going around saying, 'I'll never go back to ABC Butchery again!' What's more, they'll broadcast it to everyone but the butcher.

7. Avoid The 'Sale' Syndrome

Used sparingly, 'sales' can be very useful.

But the public these days is literally assaulted by sales from all directions. Beginning-of-season sales, end-of-season sales, stock clearance sales, liquidation sales...the public has a right to be just a little disbelieving.

If you are a retailer, overstocked and short of cash flow, a sale with 'giant discounts' seems an easy, quick way out. But cutting your margins as an ongoing policy is a trap.

Not only are there better ways to move stock, but you have to work twice as hard just to
Take this example:

Say you normally mark up your item at 50% above cost. Say the item is costing $10, marked up to $15; that is, with a $5 profit. On 10 sales at this original price, you'd make a profit of $50.

Now you have a sale, and discount by 15%. When you discount by 15%, sale price becomes $12.75. Now your profit is only $2.75 per sale.

How many do you have to sell just to be where you were? The fact is, you must sell 80% more units! ($2.75 x 18 sales = $49.50.)

Nearly twice the effort to get the same profit!

DO YOU EVEN 'NEED' TO COMPETE ON PRICE?

This question is often asked at live seminars.

'All that selling the features, advantages and benefits theory is fine. But if I don't compete on price, I'll lose business.'

Well, there's no doubting that some businesses are more price competitive than others. But often, it is nowhere near as much as the business operator believes. What's more, you'll never get all the market. So why try by cutting margins so fine you go out of business?

In my gourmet delicatessen, our prices were 20% to 30% higher than our competitors up the road. And certainly higher than the supermarket next door, which carried some of the same lines. Yet, our business grew and prospered. How was that possible?

By giving top service, friendly service, remembering customers' names. And being paranoid about quality. They all played a very big part, sure. But, more than that, we advertised the fact that we gave customers what they really wanted. We told them how good our product was, in detail, and what it meant to them. And, we established ourselves as the place to go if you wanted to buy the very best.

A perfect example of how this was achieved is the 'Discovering Manor Table Cheeses' brochure we produced. It used the key words to make the reader interested... 'discovering...32 really popular (e.g., being really specific)...how to...Free.'

It presented the product in a knowledgeable, interesting way. It projected an image that we knew our product, so we were the authority on cheeses. Where else would you go?

Importantly, this information didn't talk at the reader. Rather, it gave the reader an easy way for them to be an 'expert' at their next dinner party. A powerful motivating factor for people buying specialty cheeses is to impress others, so we discovered.

ONE FINAL WORD ON PRICE CUTTING:

Who do you think made these statements?
• (We) will no longer be locked into the stupid price/item race in newspaper advertising.

• The industry has been wasting millions of dollars far too long.

• Research revealed the ineffectiveness of item and price advertising.

Who said that? The management of the Safeway supermarket chain, in a Business Review Weekly article.

8. 'Drip-Feeding' is Better Than One 'Big Bang'

From time to time, you'll blow your budget on advertising. With good reason...to take advantage of peak sale periods. But don't use up your funds to the exclusion of consistent year-round advertising. It is better to slowly build sales consistently, than to put everything into one or two extravaganzas.

9. Don't Change It Because You Are Tired Of It

An ad should be dropped only when you can come up with another to beat it. Remember, you are advertising to a 'passing parade,' not a standing army. New people are seeing it all the time. People move into your market and then out again. What's more, you may see your ad every time it appears, but your prospects may miss four out of five.

So, if you have a winner, keep it working!"

Here are John Caples 20 ways to increase the selling power of your ad.

* "Use Present Tense, Second Person

* Keep hammering at the reader with -- you -- you -- you.

* Practically all mail order advertisers use three or more subheads in every full-page advertisement.

1. They tell your story in brief form to glancers.
2. They get copy read that might otherwise not be read.

* Captions get high readership because they add to the interest of the illustrations and help to explain their meaning.

* The most important job of an advertisement is to center all the attention on the merchandise and none on the technique of presenting it.

* Use short simple words to express your meaning. Educated readers understand short words just as well as long words, and the masses understand short words much better.

* Your advertisement should be arranged so that the free information comes first and the sales talk second. If the sales talk is placed first, the reader may never reach the free information section.

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* Style copy consists mainly of unsupported claims, whereas selling copy supports its claims with proof.

* Arouse Curiosity

* An advertisement that gives away its secret in advance is like a magician who shows the audience the secret of his tricks before he performs them.

* The statement that '97,482 people have bought one of these appliances' is stronger than the statement 'Nearly 100,000 of these appliances have been sold.'

* Use Long Copy

* Advertisers who can trace the direct sales results from their ads use long copy because it pulls better than short copy.

* Write More Copy Than Is Necessary to Fill the Space

* We find that copy improves in quality when we cut it. That doesn't mean that we favor short copy. It means that the copywriter should write more copy than is necessary to fill a given space and then boil it down.

* Avoid Helping Your Competitors

An advertisement for a TV set that describes in general terms the enjoyment of television helps to sell not only your own TV sets, but your competitor's sets as well.

Your advertising will help your sales more if you sell your particular TV set, its tone, its picture quality, its power, or some other special feature.

* Rules of mail order advertising apply with equal force to direct mail. Rules for headlines, first paragraphs, use of subheads, length of copy, type of copy, etc., all may be applied to direct mail.

* In some cases understatement copy has shown greater pulling power than the other kind. Do not weaken your entire advertisement by giving the impression that you are trying to make your proposition sound better than it really is.

* Avoid Trick Slogans

* Avoid slogans and catchlines that are obviously untrue.

* Get Help From Others

It is helpful to take an advertisement or a headline you have just written and show it to someone else and get his opinion.

* Do Not Say That a Salesman Will Call
Some advertisers offer a free booklet in their advertising in order to get the names and addresses of people interested in the product. After the free booklet has been mailed, a salesman calls on the prospect. If this is your plan of action, do not mention in the advertising that a salesman will call. To do so will cut down your coupon returns at least 75 per cent.

* Study the Selling Copy in Mail Order Catalogues

The next time you are puzzled as to how to sell some product, study a mail order catalogue and see how the mail order people approach the subject. In the large mail order catalogues you will find excellent sales talks for almost every product you can think of.

* Make Every Advertisement a Complete Sales Talk

Write every advertisement as if it were the first and the last word to be said on the subject. Bring in every important sales argument.

* Urge The Reader to Act

Every mail order advertisement ends with a strong urge to 'Act Now.'"

How your ads are laid out and the types of illustrations to use should follow the suggestion of David Ogilvy.

"Most copywriters think in terms of words, and devote little time to planning their illustrations. Yet the illustration often occupies more space than the copy, and it should work just as hard to sell the product. It should telegraph the same promise that you make in your headline.

Dr. Gallup has discovered that the kind of photographs which win awards from camera clubs -- sensitive, subtle, and beautifully composed -- don't work in advertisements. What do work are photographs which arouse the reader's curiosity. He glances at the photograph and says to himself, 'What goes on here?' Then he reads your copy to find out. This is the trap to set.

Over and over again research has shown that photographs sell more than drawings. They attract more readers. They deliver more appetite appeal. They are better remembered. They pull more coupons. And they sell more merchandise. Photographs represent reality, whereas drawings represent fantasy, which is less believable.

Advertisements are twice as memorable, on the average, when they are illustrated in color.

Avoid historical subjects. They may be useful for advertising whiskey, but for nothing else.

Don't show enlarged close-ups of the human face; they seem to repel readers.

Keep your illustrations as simple as possible, with the focus of interest on one person. Crowd scenes don't pull.

Avoid stereotyped situations like grinning housewives pointing fatuously into open
refrigerators.

Always design your layout for the publication in which it will appear, and never approve it until you have seen how it looks when pasted into that publication.

There is no need for advertisements to look like advertisements. If you make them look like editorial pages, you will attract about 50 per cent more readers. You might think that the public would resent this trick, but there is no evidence to suggest that they do.

Magazine editors have discovered that people read the explanatory captions under photographs more than they read the text of articles; and the same thing is true of advertisements. When we analyzed Starch data on Advertisements in Life, we found that on the average twice as many people read the captions as read the body copy. Thus captions offer you twice the audience you get for body copy. It follows that you should never use a photograph without putting a caption under it, and each caption should be a miniature advertisement, complete with brand name and promise.

1. A display subhead of two or three lines, between your headline and your body copy, will heighten the reader's appetite for the feast to come.

2. If you start your body copy with a large initial letter, you will increase readership by an average of 13 per cent.

3. Keep your opening paragraph down to a maximum of eleven words. A long first paragraph frightens readers away. All your paragraphs should be as short as possible; long paragraphs are fatiguing.

4. After two or three inches of copy, insert your first cross-head, and thereafter pepper cross-heads throughout. They keep the reader marching forward. Make some of them interrogative, to excite curiosity in the next run of copy. An ingenious sequence of boldly displayed cross-heads can deliver the substance of your entire pitch to glancers who are too lazy to wade through the text.

5. Set your copy in columns not more than forty characters wide. Most people acquire their reading habits from newspapers, which use columns of about twenty-six characters. The wider the measure, the fewer the readers.

6. Type smaller than 9-point is difficult for most people to read.

7. Serif type is easier to read than sans serif type.

8. When I was a boy it was fashionable to make copywriters square up every paragraph. Since then it has been discovered that 'widows' increase readership, except at the bottom of a column, where they make it too easy for the reader to quit.

9. Break up the monotony of long copy by setting key paragraphs in boldface or italic.

10. Insert illustrations from time to time.
11. Help the reader into your paragraphs with arrowheads, bullets, asterisks, and marginal marks.

12. If you have a lot of unrelated facts to recite, don’t try to relate them with cumbersome connectives; simple number them, as I am doing here.

13. Never set your copy in reverse (white type on a black background), and never set it over a gray or colored tint. The old school of art directors believed that these devices forced people to read the copy; we now know that they make reading physically impossible.

14. If you use leading between paragraphs, you increase readership by an average of 12 per cent.

The more typographical changes you make in your headline, the fewer people will read it. At our agency we run straight through our headlines in the same type face, in the same size, and in the same weight.

Set your headline, and indeed your whole advertisement in lower case. Capital letters are much harder to read, probably because we learn to read in lower case. People read all their books, newspapers, and magazines in lower case.

Never deface your illustration by printing your headline over it. Old-fashioned art directors love doing this, but it reduces the attention value of the advertisement by an average of 19 per cent. Newspaper editors never do it. In general imitate the editors; they form the reading habits of your customers.

When your advertisement is to contain a coupon, and you want the maximum returns, put it at the top, bang in the middle. This position pulls 80 per cent more coupons than the traditional outside-bottom of the page. (Not one advertising man in a hundred knows this.)

H.L. Mencken once said that nobody ever went broke under-estimating the taste of the American public. That is not true. I have come to believe that it pays to make all your layouts project a feeling of good taste, provided that you do it unobtrusively. An ugly layout suggests an ugly product. There are very few products which do not benefit from being given a First-Class ticket through life."

We’ll let Jay Abraham summarize on how to write a good ad.

"There are five basic concepts to remember when writing a good advertisement:

1. Command attention
2. Show people the advantage of using your product or service
3. Prove that what you are advertising has that advantage
4. Persuade people to grasp that advantage
5. Make a call to action

COMMAND ATTENTION

The most important purpose of a headline is to entice the reader to start reading the copy
of the ad. The copy must get read if the ad is going to pull great results. Your headline must attract instantaneous and immediate attention. There are two types of headlines that seem to work best:

1. Headlines that convey how the reader can save, gain, or accomplish something through the use of your product or service. How it will increase the reader’s mental, physical, financial, social, economical, or emotional well-being.

2. Or, by acknowledging how the reader can avoid risks, worries, losses, mistakes, or embarrassment. How it will decrease the reader’s fears of economic ruin, discomfort, boredom, sickness, loneliness, or prestige.

Who needs a good headline?

Headlines that begin with a question are usually pretty good clinchers. But only if they ask a question that people want to know the answer to.

Which of these words or phrases would you use?

The words: how, here’s these, which, which of these, who else, where, when, what and why usually outpull their competitors. Using the ‘which of these’ selling technique is very effective because it says 'Which do you want?' not, 'Do you want?'

Make the reader a guarantee.

Guarantees in a headline are extremely compelling to readers. Make certain, however, that you can deliver on your guarantee.

Where would you be without your customers?

Always include the reader in your headline. Remember, you’re writing person-to-person. Only one person will be reading your article at a specific time, so write to that person. Personalize your company/your product/your service. Try to get your reader involved in your ad. Induce the reader to participate in the experience. Use the words: you, your and yourself. They will involve the reader and make him feel that your ad is directed at him. Appeal to the emotions of your readers.

The advertisement itself should be interesting to look at, but not so overwhelming that potential readers and customers get lost in the copy and fail to derive any message from it. Sometimes, a little bit of irregularity or discord in the design actually serves to attract attention. The advertisement should move or flow so that your reader’s eye is moved from one focal point to another and on down the page -- pulling the reader in all the time.

SHOW PROSPECTIVE CUSTOMERS THE ADVANTAGE OF USING YOU

The reason a person reads an ad is to find out, ‘What can this product or service do for me?’ To make your copy hold the attention which your layout and headline have already won, show people an advantage. It’s not what the product is, but rather, what it can do for the customer.
PERSUASION TECHNIQUES IN PRINT

This is the final staging before asking for a call to action. It is imperative that you appeal to the emotions at this point -- for it is the last chance you will have before you ask them to part with their money. The approach can be negative or positive, but must have emotion. Aim at your hardest to sell. If you can appeal to them, you've got the rest.

CLOSING THE SALE

Make an offer: a booklet, a sample, a free demonstration, an extra premium, an introductory price, a miniature model, a contest, a chart, a free fitting, entry in a contest, special phone rates for ordering, special bonuses for ordering by phone, or other motivating inducements.

ADVERTISING

Since advertising is salesmanship in print, and you're the best salesperson for your product, that means you should be able to write the best advertisement for your product -- not an agency. And you can!

* Tape record all conversations you have with your prospects and customers. Do this dozens of times so you have a good selection of sales presentations to work with.

* Transcribe the tape recordings. Then number each selling point you make in your conversation.

* Give each point a priority number on a scale of 1 to 10, 10 being highest.

* Cut out each point with a pair of scissors and divide them into three groups. The first group consists of those points that describe the benefits of your product. The second group consists of interesting facts about your product. And the third group consists of those points that don't really say anything about your product or that don't really help to advance your presentation.

* Throw the third group away and arrange the other two in rank order from 10 on down.

* Next, throw out all points with a rating of 5 or less.

* Now, forget that you are writing an ad or sales letter. Instead, concentrate on writing a memo. A long memo to a friend -- don't try to be clever.

* Concentrate on selling just like you did in your conversations with your prospects and customers!

A proven pattern for a good sales pitch:

1. Say something that gets your reader's attention.
2. Tell the reader why he/she should be interested.
3. Tell the reader why he/she should believe what you are saying is true.
4. Prove it's true.
5. Itemize and describe all the benefits of your product.
6. Tell the reader how to order.
7. Tell the reader to order now.

The above outline is an elaboration on the formula: Attention, Interest, Desire, Action. If you can remember those four words, you'll write excellent ads.

- * Remember, your ad will be read by only one person at a time. Do not write to the masses -- write to one person.
- * Read your copy aloud so you can see where it doesn't flow and where it needs smoothing out.
- * Edit your copy. Take out unnecessary repetitions. Use short sentences, short paragraphs and everyday English. Use some one-word sentences. One-sentence paragraphs, etc. And use a generous supply of subheads that make your copy interesting and easy to read!

Good advertising is simple salesmanship multiplied! Put your sales pitch into your ads and you will have multiplied yourself thousands of times over. Then sit back and reap the rewards."

Most of this advice pertains to space ads and direct mail. We need to touch on a few more categories. We'll start with Jay's comments on classified ads.

"There are a couple of problems with classifieds. One is: many newspapers and magazines sort their classified sections alphabetically by subject. If this is the case then you're going to have to be sure that your first word in the ad is going to fit within that subject. So that limits you a little bit because it means that if your ad is for a restaurant, you have to put 'Restaurant' first in order to get it in the right category, instead of, say, 'Authentic Indian Cuisine.'

But if you put words in it that indicate super benefits just for calling, that's what counts more than anything. Use: 'free,' 'free information,' 'free literature,' 'free something.' Just the word 'free,' I don't know what it is about it, but people will go through the classified ads and they'll scan. And every time there's something free, they'll stop. And you'll get a lot more calls, whether they're qualified as you'd want them to be or not, but at least you'll get action. You get somebody to talk to.

Another problem is that I personally don't like classified display because I think if you don't catch your reader with something really strong, it's gone.

But I do believe in multiple insertions in multiple categories. I think that the more times you put it in, the more hits you'll get. As long as your ad is a sufficient size, you're better off with four little ads than one big one, as long as the ads contain all the proper elements. You have four times to sell. Four different chances. Four different environments. Four different attention-catchers. You can change your headlines. You can catch different people, rather than blow it out on one big ad.
You can run a full page ad, but make sure to get right-hand placement. Right-hand placement is everything. Left-hand placement inside a magazine is death. Nobody looks at it.

But the inside of the front cover (which is the left side) is also a good spot because the Table of Contents is there. The inside front cover is better than the inside back cover.

If you can get on the front cover, that’s of course number one. Then the back page is number two. Then right side of the page. Then the left side of the first page. Then left on the back pages. And then the split center spread.

Here is more from Jay on Yellow Pages.

"This is a specialized business wherein the bulk of your customers come from randomly searching through the Yellow Pages. You must realize and not underestimate the usage of this commonly used directory. It should be a 'given' for every business to appear in the Yellow Pages, and making sure it's utilizing its space effectively." In my opinion, yellow page advertising is very expensive. A large ad in the yellow pages looks great but when that big monthly bill rolls in it makes you wonder if it's worth it. I like a small, clean, two-color ad, a brief claim or statement that gives you credibility (e.g. Over Fifty Years in Business; Over 10,000 Satisfied Customers in the Valley.) Then in larger print, your unique selling proposition. More effective may be Jay Abraham's brilliant idea of a free offer of samples or a written report that brings in their call.

We generally think of TV advertising as the private arena of giant companies. However, local TV advertising can be surprisingly inexpensive and highly productive. Almost all companies need outside help with TV commercials. In this case you need to make a careful selection of an ad agency and give them a mandate to do exciting work for you.

David Ogilvie advises: "The purpose of a commercial is not to entertain the viewer, but to sell him. Horace Schwerin reports that there is no correlation between people liking commercials and being sold by them. But this does not mean that your commercials should be deliberately bad-mannered. On the contrary, there is reason to believe that it pays to make them human and friendly, if you can do so without being unctuous.

In the early days of television, I made the mistake of relying on words to do the selling; I had been accustomed to radio, where there are no pictures. I now know that in television you must make your pictures tell the story; what you show is more important than what you say. Words and pictures must march together, reinforcing each other. The only function of the words is to explain what the pictures are showing.

Dr. Gallup reports that if you say something which you don't also illustrate, the viewer immediately forgets it. I conclude that if you don't show it, there is no point in saying it. Try running your commercial with the sound turned off; if it doesn't sell without sound, it is useless.

Most commercials befuddle the viewer by drowning him in 'logorrhea,' a torrent of words. I advise you to restrict yourself to ninety words a minute.

It is true that you can deliver somewhat more selling points in a television commercial than in a printed advertisement, but the most effective commercials are built around only
one or two points, simply stated. A hodgepodge of many points leaves the viewer unmoved.

The purpose of most commercials is to deliver your selling promise in a way the viewer will remember next time she goes shopping. I therefore advise you to repeat your promise at least twice in every commercial, to illustrate it pictorially, and to print it on the screen as a 'title' or 'super.'

The average consumer, poor dear, is now subjected to 10,000 commercials a year. Make sure that she knows the name of the product being advertised in your commercial. Repeat it, ad nauseam, throughout. Show it in at least one title. And show her the package which you want her to recognize in the store.

Make your product the hero of the commercial, as it is the hero of our famous commercial for Maxwell House Coffee -- just a coffeepot and a cup of coffee -- 'good to the last drop.' (I did not invent this slogan; Theodore Roosevelt did.)

In television advertising you have exactly fifty-eight seconds to make your sale, and your client is paying $500 (in 1963) a second. Don't mess about with irrelevant lead-ins. Start selling in your first frame, and never stop selling until the last.

For products which lend themselves to selling by demonstration -- e.g. cooking ingredients, make-up, and sinus remedies -- television is the most powerful advertising medium ever invented. Success in using it depends more than anything else on your ingenuity in devising believable demonstrations.

Dr. Gallup is a fountain of useful information on how people react to different kinds of commercials. He tells us that commercials which start by setting up a problem, then wheeling up your product to solve the problem, then proving the solution by demonstration, sell four times as many people as commercials which merely preach about the product.

Dr. Gallup also reports that commercials with a strong element of news are particularly effective. So you should squeeze every drop of news value out of the material available for your commercials.

On a slightly different aspect of advertising John Caples compares large ads to small ads.

TEN LIMITATIONS OF SMALL ADS

1. Small ads don't impress your dealers as much as large ads.
2. You can't include a long list of names and addresses of your dealers.
3. You can't use color in small ads. It would be too expensive.
4. You can't show an appetite-arousing picture of a lemon pie or a chocolate cake.
5. You can't create a large volume of sales quickly.
6. You can't create the impression of importance of bigness as well as you can with large ads.
7. You can't show a landscape picture or a family group admiring the new living room furniture.
8. You can't show an effective picture of your new model car or refrigerator.
9. You can't use certain effective editorial techniques, such as comic strips or ads that look like magazine articles.
10. You can't get the best positions for your small ads in magazines or in newspapers.

TEN ADVANTAGES OF SMALL ADS

1. You can run a whole series of small ads for the price of a single full page. Thus, small ads enable you to advertise frequently at low cost.
2. If you make a variety of products, you can feature a different product in each ad in a series of small ads.
3. If your product has a variety of uses, you can feature different uses in different ads.
4. Instead of running a series of pages in a single publication, you can advertise in six or more publications by using small ads.
5. You can gain flexibility by putting part of your appropriation into big ads and part into small ads.
6. You can offer free booklets, literature, samples, and catalogues. You can make mail order sales.
7. You can get leads for salesmen.
8. In newspapers you can get special paid position, such as running your wedding ring ad alongside the engagement notices, your baby carriage ad alongside the birth notices.
9. You can get high readership by using such editorial techniques as small cartoons, news items and picture-caption ads.
10. You can profitably advertise so-called 'limited-market' products or services as illustrated by headlines such as these: Accounting, Corns, Drafting, False Teeth, Feet Hurt, Hearing Aids, Kill Rats, Loans, Maternity Dresses, Shorthand, Stenotype, Toothache. The reason is this: There is not enough profit in corn remedies, for example, to support full-page ads. Furthermore, if the reader of a publication does not have a corn, your full-page ad, no matter how attractive, will not sell him a corn remedy. On the other hand, if the reader does have a corn that is bothering him, he will be stopped by the one-word headline, 'Corns,' in a small ad. Since you cannot predict when the reader's corns will be troublesome, you are better off with a small ad in every issue of a publication than with a big ad once in a while."

It is possible to cut your ad cost by arranging various deals. Jay Abraham explains,

"The sky is the limit when it comes to the kinds of ad deals that can be engineered.

You should know about PI (per-inquiry) and PO (per-order) advertising, and their infinite variations.

PI/PO means that a station or magazine agrees to run your ad or commercial for so much per lead, or a share of the sales dollars, instead of being paid a flat rate. Normally, PI/PO advertising is used with mail-order or direct-response-type advertising, where the resulting lead or order card is sent directly to the TV station, radio station, or publication so accurate tabulation is no problem."
Customarily, payments to participating media range from 25% to 50% of gross sales or from $3 to $3.50 per lead, depending on the quality and desirability of the product or service, and the number of sales or leads it generates. It’s smart to be generous, particularly if you have a repeat-sale product or service, because the generous incentive induces the medium to run your ad more often or give you more space or more time slots. Both sides make more money.

If you sell through a retail outlet, go to only one radio or TV station in your community and offer them a percentage of all sales resulting for running your ad whenever they have unsold time or space.

You can often make similar deals with newspapers or city magazines.

Make a similar deal with an ad agency, copywriter, graphics house, or production company to produce your ads on a PO basis -- for a percentage.

Decide how much you’re willing to give up, and set some reasonable minimum performance requirements on them. If you’re willing to spend 15% of gross sales for advertising, offer the production people 5% for creating two or three powerful ads or commercials, then offer the station or publisher 10% for running the ads.

You can make similar deals with movie houses, shopping malls, elevator music companies -- the sky is virtually the limit. But only deal with media you think can truly help you, and monitor the results closely, changing ads and media if one doesn’t work -- or stops working."

My company recently cut the cost of a full page ad in a financial publication from $3,200 to $2,200 simply by offering a dramatically reduced price from their rate card and by agreeing to pay up front. The rate card can often be discounted by making a reduced offer. Try negotiating with all ad media. You can generally make steeply discounted deals with radio stations and to a lesser extent with TV stations. The larger and most successful magazines and newspapers tend to be less flexible but you don’t know until you ask. At least have them take your lowball offer to their boss.

A final advertising method comes from ad wizard, John Mauldin.

"This brief monograph deals with one of the most interesting forms of marketing -- 'per-inquiry' (PI) advertising. This is one of the least known forms of advertising, and one of the most difficult to get into, but because of the reduced risk, it is one of the most rewarding.

Per-inquiry advertising is exactly what the name implies. You pay only for the number of inquiries or the number of orders you receive on a pre-negotiated basis. Therefore, your risk is substantially reduced since you’re not required to pay for an ad up front, but only on the response you receive from the ad.

For example, I have sold a product for five years. There are some magazines that I am more willing to place an ad in because I know I can get $2 back on every $2 I spend. If an ad costs $3,000, and I average $5 per customer, I might expect around 1,200 orders from two or three magazines that I’m familiar with.

But some magazines may charge more for a page, and net fewer customers at a higher
cost per thousand (CPM) readers. It's very difficult, if not impossible, to make a profit from these magazines. However, I would like to be able to get all the customers I can from their subscribers. I am not willing to lose money, so I have a dilemma. This is where per-inquiry (PI) advertising is most helpful.

I offer the less responsive magazine the opportunity to run my ad, and I will pay them $2.50 for every order I receive. This allows me to make $2.50 on the order, which is fair, and allows them to make some money for their advertising, which is only fair. If their ad doesn't pull enough to pay the entire page, it hasn't cost me anything, but they have at least received something.

WHO DOES PER-INQUIRY ADVERTISING?

I can't list all the people who do per-inquiry advertising, but obvious examples that everyone has seen include the late-night commercials for records and tapes, for kitchen gadgets, books, magazines, and so forth, that run at odd times during a television station's off-hours. These are run on a per-inquiry basis.

Also, many magazines will accept per-inquiry advertising, but when you call and ask them, they invariably tell you no. Later on, I will tell you how to get around that.

Radio stations will take per-inquiry advertising. I've worked numerous, very profitable deals for myself and for the stations on items particularly adaptable to radio.

In short, just about any advertising medium can be used on a per-inquiry basis. The trick is in getting the owner of the advertising medium to do it and showing him his benefits. PI can be used to sell almost any physical product, information services, investment services, books, electronic products, insurance services and so on.

Per-inquiry advertising is most frequently used for lead generation (paying so much for each sales lead that comes into your office). A particularly good medium for getting sales leads is 'card decks' -- those half-inch or one-inch stacks of business reply cards that come in the mall, which you sort through to find a product or service that you are interested in and send in the card. If you know you can close a certain percentage of all leads, you'll be more than willing to pay for sales leads.

WHAT TYPES OF MEDIA ALLOW PER-INQUIRY ADVERTISING?

I suspect that every medium does some kind of per-inquiry advertising, but some media are particularly susceptible to per-inquiry advertising.

1) Print Media. Large newspapers will probably not run PI ads. It is too difficult to verify the results. However, small newspapers where the owner is the editor, publisher and advertising salesman are quite susceptible.

National magazines like Time and Newsweek would do PI only as trade-offs with other magazines (if at all) and the probability of doing PI with them is very slim. However, local or regional magazines, trade publications and special-interest magazines are usually willing to take PI ads. If a publication is owned by an individual rather than a large corporation, the odds are much better.
The card deck is an interesting form of print advertising. Nearly all card decks will take one or two quality PI's.

2) Broadcast Media. National TV networks will not take PI advertising, but local independents, cable stations, and cable networks will. They have unsold space which they would like to put to use.

The bigger the station, the less chance you have of placing your PI ad. For instance, large cable networks only take PI's from organizations with sound, proven, direct marketing track records. Breaking into these markets is extremely difficult. If you start with smaller stations, develop a track record, and show them (the larger stations) that their station can make a profit from your ad, the chance of placing an ad with the network is greatly increased.

Radio is a shot in the dark, but if you have a good, proven ad, a radio campaign can be successful. We'll discuss some radio pitfalls later.

FINDING THE NICHES

Smaller niches that are normally disregarded can add up to serious profit. A good example is 'bounce-back' advertising.

When you receive a product in the mail, advertising pieces for different products are often enclosed. Most are for products sold by the same company, but often they include ads from other companies for an insertion charge of $40 to $60 per thousand.

Approach companies whose typical customer would benefit from your product, and ask them to insert your brochure along with their product. Offer them a percentage of each sale. If they agree, code the brochure coupon so you can tell where the orders come from.

This approach provides extra profits for you and the other business without increasing (mailing) costs. Their main business is not selling ads, but incidental income from simply stuffing a brochure can be quite lucrative.

If you have a music- or youth-oriented item, bounce-backs work well with book publishers, specialty item companies, specialty books, vitamins, mail-order electronics companies, and companies that sell records on TV.

Cater to the mail company's audience. Selling life insurance to buyers of rock music is probably not very profitable, but selling them an enhancement for their electronic music equipment, such as a new type of turntable or needle, is of interest to them.

Statement stuffers are another profitable medium that's often overlooked. Enclosing a brochure in a company's monthly statement really works, which is why you see so many brochures in your book club or credit card statements.

Large companies generally do not do this on a PI basis. They generally want a percentage of the sale or they make you pay for printing the mailing piece, but your costs should still be very small, relative to the return. With the right product, statement stuffers, while not a pure PI, are close enough to it to be included here.
The key is to find a medium that gets to your potential customers. Few products have a truly universal appeal, and certain kinds of advertising reach certain audiences, but it’s not always the obvious. If you’re selling an investment package or an investment book, investment magazines would be obvious. But you might try golf magazines or other high-ticket sports publications, or magazines that cater to high-income lifestyles, like travel magazines. Such magazines often get a much better response than obvious investment-oriented magazines, simple because your pitch isn’t crowded out by 47 others.

**TIMING YOUR PI OFFERS**

Every medium has down cycles. TV doesn’t sell as much advertising in January, February, and the summer months. (During those months), stations and networks are looking for advertising. In September through December, March, and April, the odds of arranging a PI ad are relatively slim, as those are up months for advertisers. Few stations will take a PI if they can sell a spot outright. PIs are simply filler space for them, so make your PI ad available in months when they need advertising.

Magazine space is also cyclical. Every industry is different, so there is no general rule. But nearly every magazine has one or two slow periods each year.

**WHY WOULD AN ADVERTISING MEDIUM USE PER-INQUIRY ADVERTISING?**

When you ask a medium if they’ll do PI advertising, about 94% of the time they’ll say no. If you take no for an answer, you’ve done what they want you to do. They would rather have you buy advertising.

If everybody thought they could get PI advertising, nobody would buy advertising.

So then, why would a particular advertising medium take PI advertising? There are several reasons.

1) The most obvious reason is money. If a magazine can sell 66 pages of advertising in a 148-page magazine, and has only sold 60, it’s got six more pages it can sell. Getting some money is better than no money.

Not all magazines agree with this and really do have a policy of no PI. They just cut back on pages. It is an individual matter.

2) It is important for start-up magazines and customer service-oriented magazines to have ads to make their magazine look successful, so other advertisers will want to be included. You can often go to a new magazine and tell them, ‘I’m not familiar with your magazine, but I’d like to become familiar with it. I’m not willing to gamble with your rates. If you’ll run my ad on a PI basis and I get a good response, then I’ll advertise more.’

This is fair, because you’re telling the truth. Anytime you can make a dollar by spending fifty cents, it’s a good response. Most new magazines don’t pay off for you if you buy the space, which is why you need to be careful advertising in new magazines, and why PI advertising is a great testing method. They look successful, and you get to try them with hardly any risk.
3) Some media think your product will make them more money on a PI basis than if you pay. Several groups that knew I did PI advertising have called me to offer a PI deal. Some magazines and audiences are particularly responsive, and it is much better for them to take a piece of the action than to sell you space. If you have a good product, a smart advertising director or an aggressive publisher may seek you out once they understand that you're into PI business. It doesn't happen often, but it has happened to me enough that I no longer discount the possibility.

4) Many magazines tell me, 'John, we don't do PIs.' I tell them, 'Fine, if you ever need an ad or a PI, I can get one to you in 24 hours.' They will call back a few months later and say, 'John, do you have an ad we can run?' I'll say, 'Sure, what do you want?' I give them a choice of two or three, and they choose one or the other.

Why do they change their minds? Generally, someone has cancelled on them and they don't have anything to fill that page. They can't restructure their magazine, and it looks silly to leave a blank page. They've already got their own house ads in, and they want to generate some income from the space.

One medium that didn't do PIs tried it in this situation and found they got back almost 65% of their normal income, and they were very pleased. Now, they are quite open to me. When they get down to the last few days and haven't sold a space, they call me.

There are other organizations that I just send my PI ads. They trust me to pay them, and they run the ads whenever they want to.

That brings me to one of the most important elements of per-inquiry advertising -- trust. An advertising medium does not want to be bothered with orders coming back to them. It is cumbersome, expensive, and a hassle. They need to be able to trust you to pay them.

It's much easier if you can provide independent verification of the orders. Otherwise, your PI business has to be built on personal trust, and it's difficult to get to know publishers and editors in other cities.

Verification is very easy using an independent accountant, an independent post office box, or any third party. With TV and print media that use '800' numbers, independent verification is even easier. You can call up any of two or three dozen '800' number services which will take your order and ship it to you the next day. They will answer these numbers 24 hours a day and charge you $1 to $2.50, depending on the volume and the amount of information that you need for each order. For TV and consumer ads, this is almost mandatory. The large majority of your orders will come from an '800' number, so the advertising media can get the independent verification, which makes them feel a lot more comfortable -- and they're more likely to run your ad.

HOW TO WRITE A PI AD

Now you know how per-inquiry advertising works, but how do you choose the product and write the ad? No matter how good your product is, a poor direct-response ad will not generate the dollar volume required to make it a worthwhile venture for you or the advertising media. On the other hand, a great response ad with a poor product is just as crippled. You need to have the right product with a professional ad.
Don't write your own ad unless you're a professional copywriter. Just because you're good with words doesn't mean you can write direct-response copy. Countless products and ad campaigns have been ruined because someone tried to save a couple hundred dollars by not hiring a professional copywriter.

Remember. USE PROFESSIONALS -- DONT MESS WITH AMATEURS. This goes for every area of business, but it is especially true in advertising.

Advertising devours people who think it's a very simple occupation. You might use people who have worked for an advertising agency for a few years and started their own agency, but check their track record.

One other major note of caution: An ad agency that deals mainly with TV or print media is not necessarily a direct-response agency. There is a world of difference. Most advertising is image or institutional advertising. To a direct marketer such as myself, this type of advertising is almost anathema. We don't understand why people do it. Advertise to get a response, to get people to write back. You can create an image just as easily from a direct-response ad as from a 'pure image' ad.

From the agency's point of view, the problem with response advertising is that if the results don't come in, they lose the account. Find an agency that specializes in direct-response advertising in the many direct-marketing magazines. Don't pick the first agency you find. Interview at least three or four. You may go back to the first one, but you'll have some basis for judging his prices and his work.

Don't be afraid to have more than one person or group involved in a marketing program. I'm currently developing a direct-response TV ad. I've got four principal writers writing two ads, which seems like overkill, but working together has created a much better ad than they would have written individually. Furthermore, because I have friends in the industry, I've bounced the concept off them. In many cases, I've let them read the ad and gotten their opinions.

After you've studied an ad for ten days, you lose your perspective. A professional can read it in two minutes, and say, 'You missed X points.' You're too close to it, and too familiar with the product. Get help. This goes double with print media. To get an idea of what type of ads work, thumb through airline travel magazines and other regional types of magazines, and look for ads that ask for your order. Note how they look and the 'feel' you get from them, and compare how they differ from image advertising.

Don't be afraid to use a lot of words in eight-point type. Sometimes it takes a lot of words to sell the product by mail. Generally, the more money you're asking for, the more space and words it'll take. If you're asking for two dollars in the Enquirer for a monograph on how to lose weight, you can get by with 40 words, but if you're trying to sell a $119 radio, you need to explain through a magazine rather than going down to the local Radio Shack.

Quality ads are also important from the advertising medium's standpoint. Shoddy-looking workmanship reflects upon them and they don't like it. They like to look professional. I go out of my way to make my per-inquiry ads look good, as it is a positive reflection upon the medium.

Remember, you must convince the medium to run your PI ad. It's very difficult to sell a sloppy piece of workmanship, but if your ad is crisp and impressive, the chances of selling it are dramatically increased.
GETTING THE AD PLACED

Now we come to the hard part -- getting the ad placed. There are two approaches, direct and indirect.

The direct approach works with small publications and other advertising media where an individual is both the owner and the advertising salesman. Send him a copy of your brochure, your ad, or your tape so he'll know what you're talking about when you follow up with a phone call.

The phrase 'PI ad' conjures up images of 'sloppy advertising' in the minds of most advertisers. Overcoming this paranoia is a major step. Test your ad in five or six media, get the results, then get an endorsement from the media.

For example, if you are selling a religious item, run it on three or four religious stations to prove its success, get the station's testimonials, then send a copy of the ad, along with your letter, to other religious stations.

This approach is fairly impersonal, but if you have a good ad, some stations will pick it up. Many of them will say, 'We don't do PIs, but we'll be glad to sell you time.' Your response should be, 'I don't buy time on stations that I'm not familiar with, but I'll be glad to do a PI for a couple of weeks (or whatever their cycle is), then evaluate the success. If it works, I'll either buy time, or give you the option of continuing as a PI.' They'll all sit around and say, 'Gee, we don't do this.' Three months later when the owner comes in, bangs his fist down and says, 'I've got to have more ad revenue, more production,' they'll look around and say, 'Well, gee, maybe we can get a little bit out of this. Let's try it.'

THE INDIRECT ROUTE

Many PIs are placed because of relationships. It's tough to get an advertising manager who doesn't know you to run a PI, even when he's seen the ad. This is especially true of television. Find out which agencies have a relationship with the media that you're looking at. Pick one agency and give them a piece of the action to convince the media to use your ad. So much depends on personal relationships that it makes it very difficult for the newcomers to break in, but with time and persistence, relationships can be established. After you've run several ads, and they know you, then you can break off from the agency and do it on your own.

Every medium has different agencies who handle PI. In the broadcast media, ask your local station what agencies handle the most PI advertising. In the print media, this is not as important, but it certainly doesn't hurt.

Remember, trust is the key element in this relationship. If they're familiar with the agency, and they've never been burned by them, it is easier to believe that they won't be ripped off of any profits that are due them.

PI is a great way to sell. Do it right and it's a great way to make money.

Icy Hot -- Oh, what a learning example this proved to be!

I met a man who owned a 100-year-old 'very old-time' patent-medicine production company selling a hokey-sounding analgesic balm -- a glob of gelatinous goop called Icy
Hot. He wanted to make Icy Hot the nation’s most successful mail-order patent medicine in history.

At first I thought he was crazy. Then he explained the method behind his madness...

He had carefully studied the arthritis remedy market and concluded that he could make aggressive inroads if he could create a powerful promise wedded to a mystique-type product with a charming persona. The only problem was, he didn’t want to spend a dime on advertising.

There was, however, an innovative twist... He was willing to spend 115% of the initial selling price to acquire a new customer.

He taught me not to look at advertising from an abstract, nonquantifiable perspective, as almost everybody else did. Rather, he was willing to spend money only when he knew -- absolutely -- that he’d acquire a customer for the expenditure.

And, he later explained, for every new ‘start’ or first-time customer he put on his mailing list, he got one out of three people to reorder over and over and over again for life -- or until someone came up with a cure for arthritis.

The average customer, in fact, ordered six more times a year, forever!

So it made enormously good sense to me when I put a pencil to his equation...

The product sold for $3. It actually cost him a bit more than 48 cents to manufacture, package, and ship out a jar. He was willing to give someone $3.45 to sell a $3 jar. Practically speaking, he really was spending only 93 cents -- the 45 cents he lost on every sale, plus the 48 cent cost of the product.

And for the 93 cent loss, he got nearly one million people to try out his product at least once. Three hundred and fifty thousand came back at least six times a year at an average order each time of $10. So -- for a one-time loss of about $930,000 he added $21 million a year to his business, of which over has was real profit.

A $930,000 loss -- not all incurred at once -- produced a $10.5 million annual profit.

That alone is remarkable, but let me tell you how we persuaded people to take all the marketing, advertising, and promotional risk for us. It’s quite fascinating.

I approached magazines, mail-order advertising agencies, and radio and television stations all with the somewhat novel proposition of running ads for Icy Hot whenever they had unsold time or space, or the opportunity to insert something in a package they were sending out.

I’d allow them to keep all the money people sent them and I’d send them 45 cents on top (remember, it sold for $3 and I was offering to pay 115%).

Until I did this, no one had ever paid or offered to pay someone more than the full selling price in exchange for assuming all the selling risk.

This offer took the advertising marketplace by storm, and in just under a year I had set up -- solely on a variable/contingency basis -- over 1,000 separate arrangements with
magazines, newspapers, television stations, radio stations, catalog companies...you name it!

And each and every day, we'd get 5,000 to 10,000 new orders for first-time customers. And one out of every three of those would reorder over and over again forever. Plus the advertising we secured -- at absolutely no charge -- generated unbelievable demand at the retail level for our product, which we'd originally decided not to sell in stores.

We conservatively figured that in one year, our P.I. (per inquiry) advertising for Icy Hot, generated over $10 million worth of advertising exposure at no charge.

In fact, retail demand for Icy Hot became so acute, due to all the free advertising, that we 'accidentally' forced retail distribution and built up a $4 million retail business on top of our mail-order sales, all without EVER sending one salesperson into the field. All we had to install were telephone order coordinators to maintain and manage the retail business.

EPILOGUE -- the product became so successful that G. D. Searle, the big pharmaceutical house, bought the company for many millions of dollars.
CONVERTING PROSPECTS

Chapter 10

When you let a prospective customer slip through your fingers, you've just wasted:
1) the money that you've spent bringing that customer in, 2) the one-time sale profits, and most importantly, 3) any residual future profits from that customer. I cannot stress enough the importance of following up leads and prospective client inquiries.

Your prospects can be the public in general or specific individuals who have responded to your advertising but still haven't purchased. Jay Abraham gives a laundry list of devices to turn prospects into buyers.

"It surprises me that most companies never put themselves in their customer's or prospect's position. Why else would they make doing business with them so hard?

If someone calls your company and a telephone operator is their first contact, can that operator make a compelling response to the prospects' or customers' requests? When people come into your store, how well-versed are your sales clerks? How much time have you spent in preparing dialogues, phrases, questions, and advice for your people to ask or offer to customers? How willing are you or your people to answer questions and render truly informative advice, even if it does not directly or immediately benefit you?

How easy is it to find things in your store? How conscientiously do you follow up on sales requests, orders, and inquiries? How well do you keep customers informed on the status of their order? How much do you take your customers, prospects, and business for granted? By merely stepping outside your office and walking up to your business wearing the hypothetical shoes of a prospect, you may see a lot of flaws in your operation. Once they are remedied, you can dramatically improve your current and repeat business potential.

By making it inviting, easy, informative, nonthreatening, educational, inspiring, and fun to do business with you, you'll loft your company above your competition.

Remember:

1. You cannot service too much.
2. You cannot educate enough.
3. You cannot inform too much.
4. You cannot offer too much follow up or follow through too far.
5. You cannot make ordering too easy.
6. You cannot make calling or coming into your business too desirable.

Keep following up tenaciously with any customer or prospect that comes into your sphere. If someone visits your business, writes you or calls you, don't drop the ball.
Obviously these people are strongly motivated and interested in your product or service -- perhaps they're not quite ready to finalize their purchase -- but they're close. By tenaciously following up, you will move them to decisive action.

Keep calling, writing, calling, writing, etc., always making certain that every direct or indirect contact you have with them conveys useful information -- not mere sales hype -- and is effective in logically advancing the commitment process to completion. And once you convert those prospects to customers, continue to contact them. Here's why...

THE CONCEPT OF THE 'MOVING PARADE'

Customers' desires and circumstances constantly change. Here's an example of the moving parade concept that should bring it home for you...

I bought a small house some years ago and used an interior designer to help me decorate it. I could only afford to do a modest job on half the house, spending about $20,000. I ran out of money, and though the designer knew the house needed a lot more work, she never called again. Had she called me six months later when I had saved $10,000 more, and shown sincere interest in what I was doing, she'd have gotten the living room remodeling job I gave to someone else. Had she called me with a piece of furniture she thought I would like, she'd have sold me the $5,000 sofa I bought from someone else. And had she called me 18 months ago as I was about to move into a new 4,000 square foot home, she would have gotten the $150,000 I spent on decorating.

People's circumstances keep changing. By merely showing regular interest and continually communicating with old customers and prospects, you increase your chances of prospering.

Face the facts. The marketplace is ambivalent -- even apathetic towards purchasing anything (especially making major purchases) -- and people are practically paralyzed by the fear of making wrong decisions. If you can overcome that fear or reluctance to take action by offering to guarantee their purchase and reverse the risk of buying, you'll get a lot more business.

Think of it this way... If a customer comes back to you with a problem, a complaint, or a change of mind, you'd probably give him back his money anyway, right? But few companies have the willingness to make the guarantee of risk reversal a strong part of their sales proposition. I say 'risk reversal' because most of my clients never realize that whenever a sales proposition is extended to a prospective customer, someone has to take the risk: either the seller or the buyer.

Far too often, companies make the buyer bear the risk. That's a big mistake. By turning the tables and taking all the risk off the buyer and assuming it yourself, your sales proposition is so much more powerful, appealing, and embraceable that considerably more customers will break out of their paralysis and take advantage of your offer since there's no risk on their part to do so.

Here's some sample copy to get you going. I wrote this as part of a promotion for a bodybuilding client:

Your Bullet-Proof Protection...
If, by the 90th day of training on Power Burst principles, you haven’t nearly doubled your strength and improved your size and/or muscle definition a bare-bones minimum of 20% or better, I want you to write and tell me and I’ll gladly refund your entire purchase price on the spot -- no questions asked.

On the other hand, if my Power Burst Training method produces incredible results for you, I want you to not only write and tell me about it -- but tell your friends too!

Even if you do decide to stop the program or send for a refund, I want you to keep the $500 weight training video program for your faith in me now.

--Leo Costa
Personal Weight Trainer

Here is the most liberal guarantee I’ve ever written (or seen):

Jay Abraham’s Totally Risk-Free 100% Money-Back Double Guarantee...

Purchase as many sets of transcripts as you like. Read them over thoroughly (perhaps several times each). Then, take the ideas you get from them and immediately put them into action.

If you discover that the ideas you use don’t pay off, you can get a refund of every penny you paid up to nine months after you order your transcripts! That’s right, TAKE NINE MONTHS TO DECIDE IF THEY’RE ANY GOOD OR NOT!

Or, if you read Jay’s consultation transcripts and you feel right away that the information isn’t useful or appropriate for your situation -- and you honestly can’t use any of the ideas you get from it -- Jay will refund your entire purchase price on the spot. No questions asked. No hard feelings, either.

And here’s the best part: Even if you decide to ask for a refund, Jay will send you Gary Halbert’s Advertising Brainstorming Transcript (valued at $2,500) absolutely FREE. Why such a generous guarantee?

It’s Jay’s way of assuring you that -- in the remote possibility that your business is so unique or difficult that not even his principles can help you -- you won’t have to pay for something you can’t use. Jay is purely ‘performance based,’ and if you honestly can’t benefit from what he teaches or advises, he doesn’t want your money. It’s that simple.

However, you’ll never know until you try. And that’s why he’s giving you nine months to validate his concepts -- beyond any question -- not that they merely can help you make money, but that they have helped you make money. If they don’t, you’re not out a dime. Instead, you get a $2,500 bonus just for your trouble! He can’t possibly be any fairer.

Before you get scared about reversing the risk to your customers, let me tell you this irrefutable fact. When a company reverses the risk and assumes the risk for the customer -- double or triple sales increases are often the result. Yes, a few customers will take advantage of your guarantee. But, as a rule, so many people will buy from this strategy of reversing the risk, that the refund or return levels are virtually unimportant. Even if you do get refund requests, it’s easy to turn those requests and complaints into compound profits.
Here's just one example (one I've used several times very successfully) of how you can actually create a new profit center around your customer requests. Through an inexplicable maneuver (and though I usually demand that my clients' products and services are absolutely top-quality and well-respected), I once took on a 'quick-fix' consulting client whose product was of incredibly poor quality. In fact, he was getting almost more returns and refund requests than he was making in sales. He was really in trouble.

I decided to craft a letter that apologized so unreservedly for the poor quality of the product that customers couldn't help but be impressed at our sincerity. But what made this letter really successful was that we offered to make up to the customer for the ill will they felt toward us by giving them incredible savings on similar and kindred products from sources we had negotiated wholesale prices from. We invited the customer to simply telephone us and tell us what product they had selected, and we would have it shipped out immediately and adjust their account accordingly -- refunding the difference or billing their charge card the slight additional amount.

The customers loved us. They got rid of the terrible purchase they had made and they got to purchase the top-quality products they really wanted. Everybody (including my client) won something out of the deal. Of course, if the customer was dead-set on getting a complete refund, we happily sent it to them. But so many people took advantage of the discount pricing on the other products, we ended up making more from the other products than we did off the original product!

STRONG GUARANTEES

The standard guarantee is to offer customers their money back if they return the product within thirty days. A stronger guarantee is to let them try your product for free, billing them only after thirty days have expired.

Stronger still is the 'pay only if it validates' guarantee: They only have to pay your invoice after your product has made them, say, five times the price of the product. Or, you can offer them one of my favorites: The 'better-than-risk-free' guarantee.

Will customers take advantage of you when you offer a strong guarantee? A few will, but the money you lose on those customers is a tiny fraction of the increased sales you'll get by offering the guarantee in the first place.

THE BETTER-THAN-RISK-FREE GUARANTEE

In addition to the usual money-back guarantee, offer the customer free bonuses they'll receive along with your product. (Ideally, these bonuses cost you very little, but have a high perceived value.) The better-than-risk-free offer is this: The customer gets to keep the bonuses even if he returns the product.

I recommend that when you make your offer, you explain it this way: 'These bonuses are worth more than $150, so even if you decide to ask for your money back, you'll be $150 ahead just for trying my product.'

This concept is a powerful extension of working the back-end. Its logic is this: You should be willing to break even on your initial promotion -- or even lose a little -- if you
know you'll make a profit on the back-end.

OTHER INCENTIVES

Charge less for the initial purchase. This will bring in new customers -- customers who were going elsewhere to fulfill their needs. Because these customers will get such a good deal on their initial purchase, they'll be bound to come back again. There's your back-end.

Add extra incentives to buy. Add an extended warranty or guarantee. Include a free bonus if they order before a certain date.

Add a special bonus if they pay in full rather than in monthly installments. If you sell lawnmowers your bonus could be a terrific lawn fertilizer.

Give a bigger sales commission to your salespeople. If your salespeople bring in a new customer, give them the net profit on the initial sale. You can also have monthly contests for your sales force, promoting competition. Provide incentives -- like cash prizes, a dinner for two at a fancy restaurant, or a weekend getaway vacation -- to the top salespeople.

The more expensive, abstract, complex, and profound the purchasing decision you want someone to make the more nurturous you have to be, the more questions you have to answer, the more powerful case you've got to offer, the more credibility you've got to induce and the more risk reversal you've got to offer. And, often, it's not a simple one- or two-step process. It's a multi-step process. Many people sell items at a very modest price just to qualify people. Many people sell books or introductory quantities of a product just to get somebody as a prospect. That's just the first step. The subsequent step is nurturously converting them to a larger unit of purchase, or to the next product or service.

MARKETING IN MEXICO

A trip I took to Acapulco really showed me what it takes to win over people who are reluctant to buy.

In Acapulco, I was totally intrigued by the level of entrepreneurialism I saw. Certain cultures live by their wits and, in the process, naturally employ the kinds of marketing techniques I've tried to teach you. Let's start with the beach. The little urchin boys and girls there are remarkable. When you sit on the beach, all sorts of varied entrepreneurs come up to you with varied marketing approaches.

First, they get to know you -- and are they every charismatic! Then, after they've developed a rapport with you, they go for the 'hit' -- offering to sell you their jewelry or clothing items or foodstuffs for a certain price (which seems dirt cheap). You, of course, refuse. This begins one of the most incredible processes of brilliant selling and marketing you will ever behold. These 'natural' salespeople try everything from discounting the price -- to adding more to the purchase (bonusing) they are offering, to guaranteeing the sale, then to discounting the price again.

They are absolutely the most tenacious, persevering people I've ever observed. Not only do they never give up, but because they change their pace, their tenacity rarely offends -
- rather it fascinates and overcomes your resistance. And because they work everybody just as hard, just as enthusiastically, just as personably, they make a lot of sales -- and they earn a lot of money (relative to the Mexican economy).

Also, they employ the 'turnabout' proposition (as I call it) and try to buy something from you -- your watch, jewelry, shoes, glasses, sunglasses, portable radios, pens, you name it -- hoping to either: 1) Actually get you to give the desired object to them for free so they can walk down the beach and resell it to someone else, or 2) Lower your resistance towards their original offer which, of course, they go right back to when you're least expecting it.

Probably the greatest attribute I observed in these fascinating young merchants is their tenacity. Their pitch, sincerely made to enough qualified prospects, will always pay off. Stated differently, the numbers always pay off if you work them properly.

One of the interesting concessionaires on the beach rented horses to ride. This vendor stationed ten separate pitchmen up and down the beach and each one resolicited the same people as they progressively walked down the beach. Each one had a different approach or pitch. OVERKILL? Quite the opposite. The guy with the horses kept all 25 horses constantly rented by using these ten men. Ten different approaches. Doesn't this give you ideas???

We engaged a driver, who for $10 an hour, extended himself in manners I'd never seen done. He was bilingual. He was an exceptional tour guide. He knew everybody. He got us the best seats at the best shows. He introduced us to the artists. He negotiated our way around tricky regulatory problems. He was incredible. And he was so rare that everybody wanted him. He had a backlog. And he made a ton of money on percentage deals with all the vendors he took us to -- with tips and with extra fees he was able to charge for every extraordinary service he was able to render.

It proves that anyone willing to extend themselves above and beyond the average will distinguish themselves in any pursuit. Also, you'll make incredible profits, enjoy amazing referral and repeat business, and realize remarkable ancillary profit opportunities by committing yourself to superlative service. If it works such wonders in Mexico, it could do even greater for you here.

We purchased some art in Mexico. This was even more interesting. The gallery owner was not a wheeler-dealer. Price was not the marketing premise he built his success on. Rather, it was elitism. He carefully spent 20 minutes developing our awareness of who collected his artist's work. Then he showed validating press releases, pictures and articles about the artist he represented, and nonchalantly offered us refreshments. About ten minutes later he brought out a price list for the affiliated Beverly Hills gallery that was displaying the same artist, and showed us that they were charging $10,000 more, on the average, for the same works he had available.

He kept going back to all the influential politicians, business people, movie stars, etc., who owned and collected pieces by the artist that we were interested in. Next, he explained that only one or two more of each piece would ever be made available (they are bronze castings). Our party was hooked. We tried to secure a price reduction and were nicely but firmly informed that this gallery never did that, and that they were already offering the piece for about $10,000 less than it was selling for in Los Angeles. He came back innovatively with a willingness to take payments for as long as nine months -- but still no discount.
Our friends bought a $35,000 sculpture. On the way out the door, a salesman confronted us with an armful of bracelets. 'How much?' we asked. First it was X. Too much. Okay, he came down, first on a package price for his entire inventory, then on a better per-bracelet price. Back and forth, back and forth. He'd add an extra bonus occasionally. Never did he lose his smile, his perseverance, or his sincere enthusiasm. We left, buying 30 or more bracelets.

My point in all this? It's to show you that perseverance, playing the numbers, packaging, discounting, and trying various hot button approaches almost always win out. It's also to teach you that service almost always buoys your business to the top. It's also to teach you to carefully observe how all sorts of business people succeed and to incorporate (or at least permit) their techniques into a fabric of your marketing wherever applicable.

Finally, I want to remind you of the immutable law of probability and outcome. Make a good pitch or sales presentation to enough people every day or every week, trying out enough various twists, and you cannot help but succeed. I learned or relearned a lot from observing the entrepreneurs of Mexico. What can you learn from observing entrepreneurs all around you? F. W. Statler, the famous hotel man, said: Life is service. The one who progresses the most is invariably the one who gives a little more, or a little better, service. Think about it.

PACKAGING

Offer package deals. Packaging is absolutely one of the most effective marketing maneuvers for winning people over. I have been enticed by the package concept myself -- for a Hawaiian vacation. It was a wonderful 'package' that a classy travel agent put together called, 'Posh Hawaii.' 'Posh' -- what image does that conjure up in your mind? In mine, it's class and quality. Here's the neat package 'Posh' offered me:

It started out with first-class airfare from Los Angeles to Hawaii, followed by beautiful hotel accommodations overlooking the magnificent Maui beach in large, suite-sized rooms, at the luxurious Marriott. Add to that a top-of-the-line Chrysler New Yorker sedan and some high-end sightseeing tours, and you'll begin to see what a wonderful value this all represents for less than $5,000. Parenthetically, when I'd arranged my own luxury trips in the past, I, too, would travel first-class. I, too, would rent a top-of-the-line automobile, and I, too, would reserve an ocean-view room at the same Marriott. The only difference lay in the increased cost and time I spent planning. When I'd do it myself, it would cost nearly $10,000 and I'd always have problems and difficulties. With 'Posh Hawaii,' everything was taken care of for me and it cost less than half the price.

That 'package' sold me on the concepts of value, luxury, reduction of grief, and tremendous cost savings.

Let's look at other packaging concepts I've responded to in the past. A few years ago, a little English guy came to me with a very appealing proposal. For $240, he would meticulously take care of my automobile every week for 13 weeks. He promised to come to my office or home (or wherever my car might be on Thursday afternoon), and he'd painstakingly hand wash, wax, and chamois the car. Plus anytime for three months -- he'd repeat the meticulous detail job absolutely free. Three months worth of weekly hand washing along with as many detailings as I required, all for just $240.

At first I balked. The price seemed high. But the tenacious Englishman asked me to put a quick pencil to it. He pointed out that a good detail job inside and out for my Mercedes sedan would easily cost $100. I agreed. He further asked what I paid to have the car clean?
hand washed. I replied $15 to $20. And he pointed out that I had to go to the car wash, the car wash didn’t come to me.

He mentally tabulated 13 X $20 plus $100, and pointed out that it was costing me $360 right now, not counting time and inconvenience, to get my car washed and waxed, and for 33% less, he’d do it all, come to me to do it, and he’d perform additional details free whenever needed. His package, coupled with his ability to educate me to the real facts about what I was already paying, really sold me.

Moreover, by repackaging your existing product or service, or at least an introductory product or service designed to win people over to you, you can build tremendous ongoing or renewable business. No matter what products or services you market, by packaging together a value and benefit combination of features for a single, fixed price -- you can own your market, provided you carefully and effectively inform and educate your prospect to properly perceive and desire the combined value you are offering. Look within your existing business for ways to package your products and services.

For example: If you've got a plumbing company, consider packaging annual maintenance agreements wherein you offer quarterly routing of all pipes, free 24-hour-a-day emergency service and annual replacement of all loose-fitting washers and valves. By charging an annual fee, which you bill quarterly to the homeowner's credit card, you make such an offer irresistible.

Tree surgeons could offer monthly trimming maintenance for an annual fee -- again, breaking the fee down into modest, nonthreatening monthly or quarterly installments.

If you own a gas station, package quarterly tune-ups with free fill-up and other various mechanical services -- all for a discount over what it would cost if individually purchased -- then reduce the cost by billing it quarterly.

If you're a dentist, offer annual cleaning, maintenance, check-up, for free or other services for a modest fee billable monthly to a charge card.

If you're a clothing retailer, you could try out a four-item wardrobe of two pairs of pants/slacks each season, two shirts or blouses, two jackets/sport coats each season for the next four seasons or year for 'X' dollars -- chargeable to a credit card in four equal installments.

If you are an office supply company, you could offer a basic plan of standard office supplies, i.e., all the yellow pads, staples, and paper clips you can use and up to 500 or 5,000 sheets of copier paper a month for 'X' dollars per employee.

If you are a hairdresser, you could offer eight stylings a year plus unlimited trims, when and as needed, plus one perm or partial perm a year as desired, all for a flat annual price payable or billable to a credit card on a monthly or quarterly basis.

Well, you can let your imagination pretty much go wild. Remember these points, however:

1. The more synergy you can bring together in your package, the better.

2. By setting people up on an annualized service orientation, you
position them favorably for perpetually renewing the arrangement every year -- thus turning a one-shot sale into a perpetual one.

3. By reducing the cost to a modest and nonthreatening monthly or quarterly payment, you dramatically increase appeal.

4. By using simple, nonthreatening terms like, 'billable quarterly to your credit card,' you set up an appealing reason for the customer to furnish you with their credit card number to automatically charge every three months, without the hassle of normal corporate billing procedures.

5. By assembling a lot of different products or services together into one package, you can sell a lot of normally limited-appeal or slow items or services. Even though you may discount the price on a given item or service, you aggregate more total profit per customer or per sale that even a 50% reduction in pricing could translate into a 300% increase in realized profit. You'll be able to control your inventory far more efficiently, and you can use packaging to rid yourself of a poor-selling product line. Don't, however, make the mistake of offering a product nobody wants within your package. That one unwanted item could turn them off to the rest of the package.

6. Don't forget, you have to first educate the marketplace before they can be expected to see and then seize the value you are offering.

7. Packaging offers enormous opportunity to tie up a lot of people, for a lot of purposes, for a long, long time and lock in a predictable and dependable stream of cash flow and profits you can build on. Give packaging a serious thought no matter what business you are in.

One more point. Packaging brings 'value' to the mind of many consumers, so packaging should have tremendous appeal in any business slowdown.

I once had a client who desperately needed a premium bonus to offer prior customers to get them to repurchase. He told me he was willing to spend $4 to $6 for the bonus, but he lamented his terrible difficulty in finding a high-perceived-value, product or service he could 'tack on' to a purchase -- a bonus that would compel an old, inactive customer to want to purchase again.

I offered to put together a suitable premium for him provided it was clearly understood and acknowledged by all concerned that as long as I met or exceeded their $4 to $6 criteria, I could make a fair profit in exchange for involving myself. I point this out because they were a percent-of-profit client of mine, as well.

Once they agreed, I found a newsletter subscription agency that had a fabulous trial arrangement with 100 desirable publications. They would allow people to 'try out up to twenty selected publications for nothing.' The agency received a percentage of all renewals.

I could acquire their program for zero dollars. But to preserve goodwill, I offered them $1 and guaranteed them 10,000 new customers for which they would probably realize
a 4% to 15% conversion rate. I then took the package, modified it slightly with the subscription agency's approval and permission, and offered it to my client for $3 which, of course, was $1 to $3 less than they were willing to pay. So they were absolutely delighted -- plus the perceived or real worlds' dollar value of the package I offered them exceeded $150, and all they asked their old customers to spend to receive this 'bonus' was $69 on a keep-the-bonus, 45-day, 100% money-back guarantee basis.

My client loved the package. Their old customers loved it even more and they SOLD 20,000 people. I picked up $40,000 in 'packaging' profits in a mere 30-day period just for putting the bonus program together. The subscription agency made $20,000 they hadn't expected. I got a generous participation on all renewals, as well as a profit share from my client, too. All on the up and up, so everyone came out happy. More importantly, the concept of 'packaging for profit' really hit home for me.

HOW TO HANDLE LEADS

Often, a campaign to generate sales leads is not successful because salespeople become discouraged in trying to follow up on leads that are unqualified. When sales-people fail to follow up then opportunities may be missed and prospects may view the company as uninterested. Salespeople must spend their valuable time selling to qualified prospects.

A good system is needed to provide sales-people with prospects. It should include:

* A mechanism to get audience response (direct mail, print ads, trade shows).
* A device for quick response to the audience (letter, brochure, sample).
* A follow-up phone call.
* A record of the inquiry noting its source and interest.

Toll-free numbers should be included for quick audience response. Only after these steps have been taken should there be any field action. The follow-up phone call is a key to the success of the system. It shows the prospect that the company is concerned. Questions can be answered, and the next step can be decided.

When recording inquiries, categorize each one as a 'hot lead' (buying within three months), a 'warm lead' (buying within twelve months), 'long-term potential' (not buying in the next twelve months but still a prospect), 'no potential' (no need for the product or no authority to make the buying decision), and 'unusable' (no longer in business). As always -- test, test, test. Record the source of each inquiry and weed out promotions that aren't producing qualified leads.

TECHNIQUES THAT HELP GET THE ORDER

Here are some techniques that successful direct-marketing companies use to get orders or increase the size of their orders.

1. Offer credit terms. It is often the case that customers will buy more if they can buy on credit.
2. Introduce a trade-up offer. A company might offer, for example, that for an additional $35, the customer can get a typewriter that can also be used as a computer printer.

3. Increase the assortment. For example, a customer may order a four-can gift pack of roasted almonds. You might point out the advantages of purchasing the 'executive gift pack,' which includes not only roasted almonds, but also cheese, barbecue, and hickory almonds for only $6.00 more (adding that it's gift-wrapped and shipped at no additional charge).

4. Offer special packaging. This might include holiday, birthday, or other special-event gift wrapping, or unique, reusable boxes.

5. Present a compatible item. After a sale is made on prescription sunglasses, for instance, try to sell the customer a second pair of glasses at a discount.

6. Offer an extension. New-car dealers and home-appliance retailers, for example, offer extended warranties or extended service contracts.


8. Increase minimum-order requirements. If you're a business-to-business office supply marketer, try increasing the minimum purchase requirements on selected products.

9. Offer bulk discounts. Some of your customers will respond to bulk purchases if they get price breaks from you.

10. Offer a premium on specific purchases. For some customers, a free gift will convince them to buy from you. For example, you could give the customer a free can of auto polish when he or she purchases an electric buffer.

11. Introduce 'bundle' deals. Computer marketers have increased sales by making 'bundled' offers -- e.g., offering a computer, a printer, software, and paper at a lower price than what the total cost of the separate items would be.

COMMON-SENSE MARKET RESEARCH

Companies often overlook common-sense sources of valuable marketing research information. For example, after one pancake syrup company invested several months of expensive research to study the feasibility of reducing the amount of maple syrup in its product, it learned that its major competitor had reduced the maple content a year earlier. No one bothered to read the label on the competitor's product. For companies planning to enter a new market or introduce or reposition a product, here are some resources to consider for gathering research information:

* The local library. Some libraries have access to computerized
periodical indexes that can be very helpful.

* Trade associations. Most trade associations maintain extensive libraries with members' annual reports, transcripts of meetings and conventions, and other market data. To locate the trade associations, consult the Encyclopedia of Associations in your local library or the Yellow Pages of your local phone book.

* Industry consultants. For a relatively small fee, you can hire an industry expert -- someone who has years of experience in your particular industry. Be sure to check the consultant's references before hiring.

* Credit rating services. Check credit rating services such as Dun & Bradstreet or TRW. Ask your public library for a copy of Dun & Bradstreet's Million Dollar Directory.

* The U.S. Government. Since the Freedom of Information Act was passed in 1967, a great deal of free information has been made available to the public from the government. More than 100 agencies (e.g., the Consumer Product Safety Commission and the Food and Drug Administration) can be contacted for information about businesses and their products. The agencies are listed in a publication titled 'How to Find Information About Companies.' (Available from Washington Researchers, 2812 P Street N.W., Washington DC, 20007-3062, phone (202) 333-3333.)

* Company publications. Company published magazines, newsletters, annual reports, stockholders' reports, executive speeches, earnings statements, and press releases can provide a plethora of valuable information.

* Information Services. An information service can be hired for about $35 - $50 an hour. Be sure to specify exactly what you are looking for.

BE SURE YOU VALIDATE MARKET INTEREST

I learned a wonderful lesson years ago when I was in the self-publishing book and reporting business. We sold all our publications entirely by mail.

I observed, to my chagrin I might add, that most people wanting to promote and publish their own book by mail would spend two or three years painstakingly constructing the editorial content of their book. They'd then spend another three to nine months meticulously editing their book or report.

But when it came to the promotion of their book, most of these self-styled publishers would, quite literally, invest a 'whopping' day or two throwing together the promotion they intended to bear all the responsibility of profitably selling their book. And, of course, more often than not, their ads bombed and two or three years of their life went down the drain -- not to mention the 5,000 or 10,000 copies of their book they would invariably have already printed up at $3 to $5 apiece.
On the other hand, I observed that the really astute book promoters were the people who would spend six months to a year painstakingly crafting not one but two or three totally separate ads to test out in behalf of a book they'd conceived. One that wasn't even yet written!

These logical promoters accurately figured that it was more critically important to verify that the marketplace wanted the book they were contemplating publishing, and that the ad would bring in more orders than the promotional and publishing expense so that a profit would be assured.

The smart publisher put the same money that more illogical writers blew on pre-printing books into pre-testing the viability of their book concept and testing the pulling power of their ad.

And, if the market told them that it wasn't interested in a given book concept or an ad approach, the astute publisher would move on to some other concept, while the more illogical 'zealots' wasted all their capital, time and energy on a losing concept and all they had to show for it was a garage full of dusty, totally unsellable books.

To ad insult to injury consider this:

The difference in refunds between the best written and the worst written book was negligible, while the difference between the best written and worst written ad was the difference between fabulous profits and horrible failure.

But the person who spent all his time and money on promotion and validation efforts got rich while the one who put all his time in writing the book went bust.

Put your effort and money into validating market interest. Next, before you spend a ton of money investing in production and inventory, make certain through what I call a 'dry test' that validates or invalidates the viability of your advertising or promotion.

You need both a product or service that the marketplace is willing to buy and an advertising approach that can sell that product or service at a profit.

Unless you have both, why invest the time and precious capital into pursuing a costly project creating expensive inventory or going into an unprofitable business?

CREATIVE EMULATION

Creative emulation is not to be confused with outright plagiarism. Creative emulation, as I define it at least, is the highly-leveraged art of studying and observing all sorts of effective (and successful) marketing techniques and concepts that companies totally outside of your marketing sphere are using -- and inventively adapting variations of these concepts to fresh applications in your business.

Let me first give you a few innovative examples of what I mean to better understand the potential.

A few years ago, I was reading The National Enquirer -- I read everything, and I mean everything, that I can get my hands on -- and I saw a hokey ad offering 'emeralds' for a mere $3 apiece as part of a purported test. At first glance I viewed this concept as
stupid, but when the ads kept repeating themselves over and over again, and when these and all kinds of other renditions like complete fishing sets for $4 and knife sets for $5 began appearing in all sorts of magazines and newspapers, I finally took heed and I realized that this 'marketing test' approach and its corresponding advertising rationale had enormous lateral application into all kinds of marketing areas I was involved in. So I started creatively emulating the marketing test concept I'd discovered over to newsletter offers. We applied it to course offers, we adapted it to seminar offers, to transcripts, to computer software, to art, to pest control services, to restaurants, to all sorts of situations that the original creator had never imagined.

Did it work for me? Did it ever! Combined, I think it generated over $10 million -- plus five of my competitors totally plagiarized my adaptation to the tune of nearly $6 million more. So a casual observation of a concept I came across in a magazine turned into nearly $20 million worth of sales and probably $5 million worth of profit, not considering the back-end.

But that's just one example. A few others are in order:

A newsletter publisher friend of mine was sitting in bed reading his Wall Street Journal and read about a little restaurant in Pennsylvania that allowed customers to pay whatever price they felt their meal was worth. This restaurant was doing a landslide business. So my newsletter friend tried a 'name your own price' approach to renewals. He doubled the number of people renewing and ended up realizing many hundreds of percent gross profit.

Let me give you one more example of someone seeing a good marketing concept being applied and adapting it to a totally different application.

Another friend of mine in the precious metals business was reading his mail, and he saw a solicitation from a nationwide insurance company offering to compare their rates with his current insurance rates if he'd mail back to them a copy of his current policy. It got my precious metals dealer friend's mind humming. He came up with a fascinating application.

He ran ads offering to compare commissions between his firm and others on certain negotiable commission trades if customers of other firms would mail him a copy of their confirmation receipt. Over 5,000 people who were ongoing metals traders did just that, and nearly 800 of them became my friend's customers.

I can go on and on, but I think you get the point. In case, however, you don't see it in its entirety, allow me to restate it here and now:

1. It's perfectly acceptable to emulate someone else's concept -- particularly when you see tangible evidence that it is very successfully working in some other application.

2. Some of the most successful and profitable marketing breakthroughs I've ever seen or been personally involved with were adaptations of concepts other people had developed for totally foreign industries and businesses.

By cultivating an inquisitive, curious, and investigative attitude and perusing all sorts of unrelated avenues in search of concept inspiration, you increase your chances of
coming across usable or emulatable ideas manyfold.

Here are some of the research approaches I use when looking for good ideas to adapt:

First, I read as many unrelated publications as possible, looking both at ads as well as articles. For example, I read all the ads in The Wall Street Journal, The National Enquirer, Forbes, TV Guide, USA Today, and my local newspaper. I read all the rags-to-riches stories and the marketing columns in all sorts of business and trade publications. I read biographies of self-made successes, looking for the specific techniques these people cultivated so I can apply them. I look backwards -- two to twenty years or more -- to concepts that were successful long ago and that could be revisited and applied today.

I observe everybody and everything in stores, at theaters, at restaurants, on menus, and on billboards. I listen to people talk in groups -- at parties, around hotel lobbies, and poolside. I sit in airports and listen. I stay up late and watch the hokey-seeming late-night TV commercials for mail-order companies and car dealers looking for valuable ideas. I interview people for jobs from all sorts of other fields I'm not familiar with, and I ask tons of questions.

I've learned to look at things in what I've come to refer to as a 'CAT scan' perspective, whereby I see things cockeyed and sideways and orbitally and pivotally and vertically and diagonally, looking for fresh new fits or innovative ways to reconstruct and present a concept. You should learn to do this, too.

If you start developing an attitude of emulating the successful concepts other industries or companies have spent a ton of time and money testing and perfecting, you could save yourself a lot of wasteful effort and increase your fortunes markedly. At least give the concept of emulation your serious consideration.

ANOTHER WAY TO GET A PRICELESS MARKETING EDUCATION

How much is an education in the skills you need to succeed worth to you?

In my time I have paid thousands of dollars to people just to interview them or talk to them or watch them work. The average businessperson, I find, is leery of someone who wants to know what they know for free. But if you pay them lavishly for their trouble, they will be flattered and more than willing to teach you.

It's a way of gaining uncommon leverage. For a mere $200 or so, you can have the undivided attention of someone with twenty years of experience and millions of dollars of success stories and possibly that same amount of failure and it can be yours to mine for all it's worth.

So why not have some fun and set aside a measly $500 or so each month to see two or three people you've identified as knowledgeable in the fields you want to know more about? It's an investment in your education and in the future success of your enterprise.

By paying someone for their time, you have the right to tape record the session, ask probing questions, ask for recommendations, opinions, comments on the competition, referrals to other vendors, etc.

Can you see the potential for your personal growth if you did this? You could go straight
to the leaders of any field or business around, and simply by paying for the time, have complete and uninterrupted access to the wealth of insight and knowledge stored inside the person you interview!

One tip: Be prepared. You're paying for their time, but you may only get one shot at the person you're interviewing, so don't waste it. Carefully prepare your questions beforehand, spend the night before reading background material, and have a written sheet of questions and areas you want to explore with him/her. Don't simply freewheel it, as many people are prone to do. You want to leverage your investment to the hilt.

It's a different way of looking at the business world, isn't it?"

Here's a review of Jay Abraham's special promotional techniques that can help you turn prospects into customers.

SURE-FIRE SPECIAL PROMOTIONS

"How do you promote a brand new, small business? The cost of acquiring a new customer must be measured against the sum total of what that customer is worth to you in sales and profits over his or her expected purchasing life. (It is crucial that you conduct research to estimate and calculate these numbers.)

Let's say a dry cleaner has a 'typical' customer who comes in 18 times a year, and he/she nets $10 from each visit the customer makes. Every new customer is worth approximately $180 a year.

It's vital to understand this 'marginal net worth' concept before you set up any kind of 'grand opening' or special promotion for acquiring new customers.

Until you know precisely how much a new customer is really worth, you can't possibly determine how much you should or could spend to acquire one, nor can you determine what kind of promotional event to spend your marketing dollars on.

Our hypothetical dry cleaner determined that a new customer is worth $180 a year, so he/she could easily afford to spend at least a month's worth of profit (about $15) to acquire a new customer. Actually, the dry cleaner could afford to spend up to $179 and still come out $1 ahead in year one, and $180 ahead in year two.

If you don't have a lot of capital, why not try a promotion that 'gives away' a discount to any new customer? For example:

All New Customers Pay Half Price for Their
First Two Visits to Our Dry Cleaners

Modify your offer according to your profit margin, but make the offer cover at least two visits so the new customer gets into the habit of visiting your store before you bump up your price. Let them sample your performance, service, and quality first. 'Grand Opening' or other special promotions should lock in customers for the long term.

Here's another twist on this promotion:

Become a customer of XYZ Dry Cleaners
during our Special Promotion, and

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not only will you get your first two visits at half price, but for the next 12 months when you bring in at least two pairs of slacks, we’ll do two shirts free.

Since processing shirts costs only 50 cents, while slacks bring in $3.50, you lock in a sure profit.

Here’s another 'lock-in' technique:

Come to XYZ Dry Cleaners for Three Months and Your Fourth Month is Free.

Calculate the average spent per month over the three months, and give a credit for that amount in month four. In terms of cash flow, this means that instead of forgoing upfront profits like in the previous examples, three month’s profit is 'banked' before providing $30 (retail value) worth of dry cleaning. This will cost you only $15 for each customer if you work on a 50% margin.

The whole purpose of your 'grand opening' or special promotion is not merely to get people in your door, but to get them committed to come in again and again.

How can you promote a new service-type business, such as a gas station/car wash, for example?

Figure that the average customer would return twenty times a year, spend $4.75 ($3.50 profit) on a wash and $22 ($4 profit) on gas on each visit. You make $7.50 each time, or $150 in annual profits from every customer.

It would pay to offer a free wash to all new customers living within a two-mile radius -- close enough that they’ll probably keep coming back. But make them sign up for the free wash -- filling out a card with their name, address, phone number, and also the make and model of their car -- so you can build a customer/prospect file.

For a whopping $1,250 -- the hard cost of giving 1,000 new customers a first-time free car wash -- you accrue $150,000 in potential profits for the next year. Even if only 10% of these new customers stick with you, your $1,250 investment pays off ten times over in the first year, and for years afterward.

Don’t make it hard (in any type of business) for a new customer to try you out -- put all the risk on your back...not on the customer’s. Extend an offer something like this:

If you live in our neighborhood but have never tried us out, come in for a free wash and a free $3.50 Carnauba hot wax. Your first visit is on us, so we can get acquainted. But hurry! This offer is valid only if you live or work within two miles of our car wash and have never visited us before.

That offer is far more potent than:
There are many other ways for service companies to attract new customers.

If you own a pest control service and the average customer calls you three times a year, it would produce a net profit of $130 a year. You can easily justify giving him/her the first bug or flea treatment free, if he/she agrees to have you come out at least once more in the first year.

Consider how successfully book clubs operate. The book buyer gives the book club a penny, and the club in return gives away four free books -- as long as the customer agrees to buy four more books at full price within two years. The club buys books for $2 each, so for its $8 investment it receives perhaps $80 over the next two years, plus shipping and handling.

Shouldn't you spend $8 now to get $80 back in 24 months or less -- netting almost $65? That's an 800% return in just 24 months. Even if you borrow the capital at usurious rates, you can double or triple your money.

If you're a doctor just starting a practice, your office will overflow with new patients if you run an ad saying:

I've just opened an office in your neighborhood, and I want to build up my practice, so I'll give your entire family one free physical, just to introduce myself to you. If you need shots, I'll only charge my real costs.

Every new patient is probably worth $100 a year in profits and at least thousands of dollars over their life of patronage.

I know some doctors think profit discussions are tacky, but we all need profits to do good work and survive in business.

If you sell copiers, offer to put a copier into a qualified customer's office for 30 days solely at your expense -- not theirs -- if they agree to pay for the supplies they use. If your equipment really performs, it should sell itself. If it doesn't -- look for another line that lives up to its reputation.

If you're an art dealer trying to sell quality original art to businesses, why not offer to put three paintings or etchings on their wall(s) for a one-month trial? They're under no obligation unless they damage the paintings, and they agree to either buy them at the end of thirty days or have you take your art back.

If you're a car dealer, why not allow serious prospects to rent a new car for a half day or a weekend, by putting a rental deposit on their credit card and leaving their car with you? Then, if they buy, forgive the rental charge.

If you're a printer, I understand the printing business is extremely cost competitive. Offer to have your copywriter write a free sales letter or brochure for new clients -- if they'll agree to have you print some set minimum amount of brochures or letters.
Or, offer free typesetting if you get the printing job.

Or, offer the first job at cost, provided it’s prepaid -- just to show how good you are.

SPECIAL CASH PROMOTIONS

How can you stimulate more business from your present customer base when business goes sour? Here are some neat ideas I’ve used before. They can be related to all retail or service businesses.

Truthfully admit your problem, and then tie it to an offer. Write or call your customers and tell them:

Winter is our slowest time and because of the extreme cold and snow this winter, business is slower than usual.

We have to pay our full staff of technicians, installers, sales counselors, and maintenance people whether there’s much business or not. I’d like to keep them busy.

I’ve stocked inventory for a normal winter, but this one is 20% slower than usual. Since I’ve got the people and excess inventory, I’m offering my best customers a complete set of widgets for only ‘X’ dollars, which normally sells for ‘Y’ dollars.

This is a 25% savings and a 35% lower markup than any other widget dealer is currently charging. But, while things are slow and I’ve got plenty of inventory, I might as well make you a good deal. Next summer, demand will increase, and we’ll be back-ordered ‘x’ days (weeks, months) again.

I’ve never before made an offer like this, and this offer is only being made to our very best customers. It’s only valid for two weeks, and only covers my current inventory.

As soon as the weather improves, people start thinking widgets, but because things are slow now, I’ll let you capitalize on my distress...

Or,

I’ve got an embarrassing problem.

I had to order widgets for April delivery last December. Prices had been going up and supplies were tight, so I ordered 2,500 widgets in ten different styles and models. I usually ask for 1,000 and get 700.

This time I got all 2,500, and customer demand for widgets is down 10% this year.

So, I’m badly overstocked. I’ve got a lot of money tied up in widgets, and they just aren’t moving.
My warehouse is filled to the ceiling with crates of widgets and we'll be getting two semis full of doodads in a month. I don't have anywhere to put the little devils!

So, I decided to offer you the chance for the next twelve days to buy widgets from me for only 25% more than I paid for them.

The normal markup for widgets is triple this amount, so you can save $150 to $500 on every widget you buy, if you buy within the next two weeks.

I checked all ten of our competitors today. They are all asking more than I am for their widgets.

The cheapest was 15% higher than our price.

In June -- when demand soars -- I expect widget prices to double.

But I need to get some money out of my widgets to put into doodads.

And if I don't clear out some warehouse space, I'll have to pay thousands of dollars to rent temporary warehouse space for all those doodads coming in next month.

After I put my pencil to it all, I decided to pass some savings on to you...

PROBLEMS INTO OPPORTUNITIES

A lot of companies are overstocked and/or have salespeople, servicepeople, delivery people, or technicians who aren't fully utilized. My advice to clients suffering these problems is to convert this problem into an opportunity for your customers.

Back in 1978, one client had been sitting on $1 million worth of precious gems -- rubles, sapphires, emeralds, etc. for nearly a year. He had to borrow to finance his inventory, and interest rates were nearly 20%.

I showed the client that if he sold his inventory at a 20% loss, he was almost breaking even if he just invested the money in T-bills.

Moreover, that same client sold rare coins that made 15% to 20% per sale, and the average sale was $5,000. Furthermore, the average coin customer repurchased three times in the first year alone.

If they sold their $1 million worth of gems for $800,000, that $1 million they had tied up in inventory for nearly a year could be converted into a 300% profit in six months, if they used the $800,000 sale proceeds to generate (through efficient and effective advertising) rare coin sales.

I made my point, but the client did the typical thing. He tried to sell the gems by himself to avoid my large fee. He sold nothing. Why? Because buyers don't recognize a value until you educate them.
I subsequently did just that. Here’s a summary of the letter I mailed to 20,000 people that sold out the entire inventory in three days:

First, I told them that we had an unusual inventory of gems that we’d paid for long ago that were not selling. I told them that we’d actually paid $1 million cash, and that if these goods had been sold through regular jewelers, they’d have carried combined price tags of well over $4 million.

All this was true.

I then explained that we needed the cash for our rare coin promotion (also true) and that I had two choices:

1. Sell back to the wholesalers who’d only pay fire sale prices; or
2. Sell the gems to them (the reader) for what the wholesaler would pay, plus a modest amount for handling individual sales, commissions, etc.

I reiterated that the same gems from a jeweler would cost at least four times as much, and I gave them a list and a detailed description of each gem.

Then I challenged them to contact any jeweler for an estimate of what he’d charge for a stone of that quality. I said that if the jeweler’s estimate wasn’t at least three times higher, they shouldn’t consider buying the gem from us.

Furthermore, even if I told them that the jeweler’s estimate was three times our cost, I still didn’t expect them to buy the stone until it had been sent for them to take to the same jeweler to verify its value. If the jeweler’s appraisal was less then three times, we’d send them a refund.

That concept sold $1 million worth of dead inventory and freed up $800,000 for rare coins marketing that produced well over $5 million in first-year profits.

Liquidating your excess inventory or offering a discount on some service and utilizing idle people can get you new customers who will come back over and over -- at full prices.

THE ‘TAX PROBLEM’ PROMOTION

‘Tax Problem’ promotions near the end of your company's fiscal year can give you tax deductions and help you roll income into the next fiscal year. Here are the mechanics:

Send letters, run ads, or prepare commercials explaining your tax problem -- you made so much money this year that your tax bill has doubled or tripled since last year, and any more money you make this fiscal year will only cost you additional taxes. So, you really don’t want to make any more money, but (and this is really important) you have employees you can’t lay off and overhead you’re locked into, so you’re holding a one-time-only special sale at cost plus enough to cover basic overhead.

No profit above that amount.

This rationale allows you to cut prices, still cover costs, and spend a lot of money before
year-end on a sale which is so compelling, customers will buy in droves. You can attract a lot of new customers and move a ton of merchandise.

Explain to your customers that you’d rather have them benefit from the savings than pay huge parts of your profits to the IRS.

But remember, openly acknowledge that you are offering the customer the deal of a lifetime. You’ll gain his/her goodwill, and when your prices go back to normal after year-end, he or she will continue to patronize your business.

This powerful promotional technique is a terrific source to attract new customers.

THE 'MARKETING TEST' APPROACH

Another equally powerful technique (which has generated millions for me) is my 'Marketing Test' approach.

You offer a product or service that normally has a high retail price for an incredibly low 'marketing test' price. You must give an honest and believable rationale for the discount, then put qualifying exceptions and realistic stipulations on your offer.

I did it with expensive investment newsletters, offering them to first-time subscribers for just $19, provided they met certain criteria:

1. They were first-time subscribers.
2. They weren’t making credit card orders (because they were too expensive for us to process).
3. They didn’t expect bonus gifts to be included in the offer.

My rationale (which I explained thoroughly to the consumer) for offering a $95 to $195 a year newsletter for $19 was this:

1. I wanted to see exactly what bearing price alone had on the success of a newsletter promotion.
2. I’d persuaded a handful of outstanding publishers who genuinely believed they could give profitable investment advice to charge only what it actually cost them to publish the letter, because if their advice did pay off handsomely, trial subscribers would be fools not to renew at the full retail price.
3. I made only a modest profit on the $19 sale, but would make 25% on all renewals, so if only 25% of the people who responded to the $19 offer renewed at the full price one year later, I’d make hundreds of thousands of dollars -- which I did.

The marketing test concept works for any high-margined, repeat-business service or product. It works for health clubs, termite services, weight-loss clinics, etc.

This is a multimillion-dollar promotional concept. Respect its power and think through
Articulate your ethical bribe clearly so your prospects can clearly see how it benefits them. For example:

1. Offer your widgets at a huge discount -- as cheaply as you can while still realizing a profit -- pointing out the specific savings in dollars and in percentages.

2. Highlight the quality, value and performance of your widget, and trumpet what it sells for at full list price.

3. Sweeten the pot with a bonus or collection of bonuses (unlike the 'Marketing Test' approach) such as a set of books, reports, a newsletter, a painting, membership in a club, theater tickets -- anything with a high perceived value, yet a very low real acquisition cost for you.

4. Total the value of all the bonuses, plus the retail value of the main product (or service), and compare the total with the cost of this special offer for the entire package.

5. Carefully analyze the specific dollar and percentage savings again. This time it's even more impressive because the prospect now understands the high value of the premium(s).

6. Double or triple the warranty/guarantee or free trial, and beef up the warranty benefits.

7. Finally, tell the customer that even if he/she asks for a refund, he/she can keep all the valuable bonuses just for responding in the first place.

This gives the customer a 'better-than-risk-free' guarantee, because at the very worst he/she comes out many dollars ahead, even with a refund request.

This ethical bribe technique has made my clients millions of dollars. Crafted correctly, it has never, ever failed to work.

Play around with variations of these promotional concepts to adapt to your product or service for your letters, display ads, sales pitches or commercials.

POST-PURCHASE REASSURANCE

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It doesn't do you any good to convert a prospect into a customer if they don't follow through with payment or decide to return the merchandise.

Post-Purchase Reassurance is the simple process of reselling your product, your service and your company to the customer -- reassuring the purchaser that he or she made a shrewd buy.

By doing that for your customer:

1. You allay any 'post-purchase dissonance' (buyer's remorse) that may be festering in the mind of your customer, his/her family or associates.

2. You dramatically reduce -- and perhaps eliminate -- the refunds, exchanges or costly service expenses that disenchantment always produces.

3. You make the customer more receptive to your next offer.

4. You develop a closer relationship with your customers and satisfy their cravings to be acknowledged.

5. You give yourself an opportunity to recommend a buying strategy that includes continuous repurchasing.

6. You get the chance to immediately 'upsell' the customer to some more expensive product or service that you make available exclusively to them at a preferential price, terms, etc. -- if they buy it within, let's say, thirty days of the original purchase. If you do it right, about 25% to 35% of all original customers will respond, and the added profit will be considerable.

7. You can solicit a customer's sales referral.

8. You can often turn the initial sale into a renewable annual contract by adding more products or services at a discount.

9. You can explain the use of the product so it will be used more often and reordered sooner."

My company once had a problem with clients returning a high percentage of the product they were buying. Jay instructed us to write up a strong statement extolling the virtues of the product and include it in the order confirmation we sent them the day following the transaction. We found that broken trades (returned merchandise) fell off dramatically. Nowadays we include a buck slip (1/4 page card) with the confirmation that congratulates them on their wise decision and tells them how great the product is and how it will benefit them.

REFERRALS

Another strategy that Jay taught us for picking up additional prospects worked well. We wrote our customers and offered them a special gift (in this case a silver dollar)
if they would give us the name of a prospective client. We asked them to refer a friend or relative who we could send our literature to and in turn we would mail them a gift.

These prospects were highly qualified and although we didn't get great numbers, the ones we got were choice.

"ASSUMPTIVE LETTERS"

Once you have referrals or other hot leads you can use the "assumptive letter" approach.

'The essence of this technique is to aim your letter solely at those people who are seriously thinking about acquiring the very product or service you're selling. This is unlike most direct mail sales letters or lead generating devices which ask a question such as: 'Have you been thinking about investing in stocks?' or 'Are you thinking about buying a new car?'

The assumptive approach actually assumes the prospects are inextricably desirous of acquiring the goods or services you offer. Where the typical sales letter ask -- you state. For example, in an assumptive letter for a car dealer you would write:

'I know you’re within weeks of trading in your Edsel on a new model but I don’t know what you’ve been thinking of buying. However, before you sign a sales contract, I’d like you to consider my company’s offer for a minute.'

An assumptive letter for a real estate firm looking for listings would begin as follows:

'A friend of yours told me you’re about ready to put your home up for sale. Before you arbitrarily list your house with any old firm, I’d like to explain to you the ten most important ways to increase the selling price and reduce the listing period of any home you ever sell.'

An assumptive letter for a plastic surgeon might be a letter that goes to women between the ages of 35 to 60 and starts like this:

'A colleague of mine told me you’ve contemplated cosmetic facial surgery’ or ‘A friend of yours suggested I write to you in confidence about the cosmetic surgical procedures my office performs.'

An assumptive letter for a software company soliciting businesses might read:

'One of your employees asked me to write you about our software’ or ‘One of my friends told me you’re really fed-up with trying to manage your accounting system manually.’

The main factors that differentiate an assumptive letter from a typical general sales letter are that it assumes every recipient is fervently in the market for the product or service you sell.

To be most effective, the assumptive letter should be personalized with the person’s name and address and laser printed on a computer. Furthermore, the assumptive letter should offer some enormously informative and educational benefits -- for example, a seminar, a consultation, free advice, a review, or even a report. These things must genuinely
provide valuable techniques that will help the recipients become more knowledgeable, better informed, and better-prepared-to-buy customers -- even if they don't buy from your firm.

I repeat: It's critically important that you make a noble informational offer in the assumptive letter. Also, clearly inform the recipient that your offer of free information education is being rendered on a no-obligation, totally risk-free basis.

Finally, you must clearly and openly reveal the methods to your seeming madness of offering information which the recipients can benefit from even if they don't buy from you. Simply state the fact that, all things being equal, you've found that once you honestly and conscientiously inform and educate someone, they become a far more discerning buyer -- and more often than not they turn to your firm once they are educated to what you're all about.

Conclude an assumptive letter with a clear, concerned request for action. For example:

'Whether you're ready to buy today or in two months, you'll make a better buying decision once you learn these facts. To get the information, call me or my assistant, Betty, at 555-1234 or send me the enclosed card in the postage-paid envelope I've enclosed.'

THE TWO-STEP APPROACH

Jay learned the following from newsletter and marketing wizard, Gary Halbert.

Gary's premise is that before you can effectively sell to someone you first have to drop down or up to their comfort zone. Gary uses graphic analogies to illustrate his point. A tugboat, for instance, that's attempting to pull a huge freighter out to sea doesn't heave a huge heavy cable over to the freighter to connect, rather, they first shoot a thin, fine, light string-type rope over the bow of the boat for the crew to catch and start pulling up. Attached to that rope is a slightly heavier rope that's attached to a slightly heavier rope that's ultimately attached to a heavy massive cable that's fastened to the ship for the ship to pull.

You can't always pole vault your way to marketing objectives. It's often far more practical to stair step your way to your sales or marketing goals. Much like a canal uses a series of progressively raised locks that float a ship through it.

Gary Halbert says you should experiment with non-threatening, big promise, lead generating ways to gravitate or gently seduce your prospect over to you. For example, an ad or commercial offering a wonderful demonstration or trial offer for a free gift just for visiting your store or office. Or an irresistible introductory price on some extremely desirable product or service.

You want what you're suggesting, to bring qualified buyers to you. Too many people try the slam-dunk, one-shot, sell-a-thon approach. Consider experimenting with a compelling but less threatening proposition, explanation, overture or offer than a full head-on, one-stop offer. People don't want to be threatened. They fear being asked to commit to something they're not sure they want or believe they can afford.

Stair step the sale, call, follow up with a letter, send out informative materials and some educational offers. Then, follow up again. Let them sample your wares in a risk-free
manner that costs them little. Ultimately you will win the prospect over to your viewpoint and to a higher ticket product or service.

Keep in mind that if you can induce hundreds of thousands of people to seek you out even if it's only initially for a modest purchase or to garner more information on your product or service, you'll end up nurturing thousands and thousands of customers to buy over and over again from you. Always try to achieve your goals in a series of progressively more encompassing, small non-threatening steps. I think you'll sell a lot more people more easily."

My company once offered a $12 item through the mail. It was timely, a good deal and so inexpensive that people were prone to go for it. We generated 40,000 leads in a year-long direct mail campaign. A high percentage of these prospects (maybe 10% to 15%) converted to a more expensive purchase. The average sale on these secondary purchases was $2,000. Eight years later we can still mail or call these prospects from time to time and get business.

Not only did we give them an offer low enough to be in their comfort zone but by doing business with them for the first time we established our credibility. Once we gained their trust they were easier to sell on our other products.
Jay Abraham has strong opinions on how to make direct mail work.

There are four types of direct mail promotions:

1. Direct sales (asking for the order)
2. Lead generating (asking for an inquiry)
3. Third-party endorsements (such as host/parasite deals)
4. Database marketing (mailing to your own customers)

THE LIST IS THE MOST IMPORTANT FACTOR

No one will buy your product or service if they’re not interested in it. You should only mail to people who have a history of buying your type of product or service, or who are logically predisposed to what you’re offering.

There are two types of mailing lists:

1. Compiled (such as directories, phone books, etc.).
2. Direct response (which includes those people who have ordered through the mail before and have a proven history of being responsive). You can buy such lists through list brokers. They are sorted according to nature of purchase, cost, demographics, or psychographies, so you can target your mailing to an especially responsive audience.

In most cases, compiled lists do not pull as well as direct-response lists. Always use direct-response lists before you try compiled lists (unless there are no direct-response lists for your market).

COMPONENTS OF A DIRECT MAIL PACKAGE

The carrier envelope: The outside packaging which holds the components. It needs to be enticing enough that it won’t be considered just another piece of 'junk mail' and end up in the recipient’s trash.

Accordingly, there are a multitude of decisions to be made about the carrier envelope, like size, color, postage (meter versus live postage), paper stock and color, whether it should include a 'teaser' (copy printed on the outside that will entice the recipient to open it), and so on.

A word about teaser copy. Many opt not to use teaser copy because it immediately distinguishes your package as 'junk mail.' However, teaser copy may also lure the reader into opening an otherwise nondescript envelope. Weigh your decision in the matter of teaser copy thoroughly, and choose your copy carefully.
The letter: Is the actual sales pitch -- the 'beef' of your package. This relays what the product is, how it can benefit the customer...in short, everything that a traditional sales pitch does.

A brochure: An advertising piece that should further your pitch -- usually more glossy and colorful than the letter.

A lift note: Any very brief, introductory, easy-to-read note that prompts the recipient to continue reading.

An order form: Keep it simple: Standard size, with easy-to-understand, clear, and concise wording.

A reply envelope: Makes it convenient for the customer to return his order form to you.

Mail-order advertising must tell a complete story to make an immediate sale. There are no limitations on the amount of copy. The motto is, 'The more you tell, the more you sell.' Mail-order can be solo, it can preface sales calls, it can follow sales calls, it can preface telemarketing, it can follow telemarketing.

In the last decade or so, a set of 'rules' has been established in the direct mail industry that provide guidelines on how to write a good letter, how to call the buyer to action, and so on. Marketing courses, books, and seminars have made these rules widespread. As a result, many direct mailings have become similar in content and appearance.

I advise against doing anything wildly different to set your mailing apart. These rules have become widely used because they work. Testing has proven what techniques work and which don't. So I advise you to stick with the 'tried and true' format.

There is still room for doing things innovatively to make your direct mailing stand out. Just keep your creativity balanced and within the realms of good taste. It's OK to experiment, but do so cautiously. Carefully consider any changes.

You can use direct mail to prospect nationally or locally; to target narrow audiences, like doctors, lawyers, plumbers, new mothers, right or left-wing political donors, people who own BMW's or airplanes, pilots, accountants, school teachers, maintenance engineers, or...you name it!

You can use direct mail immediately after a sales or service call to reduce or eliminate refunds or complaints.

You can use direct mail to solicit or work special segments of your customer base where it would not be practical to mass-solicit. For example, you may have 10,000 customers, but only 500 are high-ticket buyers interested in high-end products like expensive shoes or sweaters. It's not feasible to mail a letter to all 10,000 clients about your new stock of expensive sweaters when you want the message to go to only 500 primary prospects. Segmenting mailing lists allows you to focus your offer on the right prospects.

You can use direct mail to promote store traffic by letting potential customers know who, what, and where you are.

You can use direct mail to introduce your product, service, or business to specific new areas of your marketing community when your business expands.
You can use direct mail (instead of display advertising) to generate a list of favorably disposed prospects. Then you can have salespeople solicit them, cutting your sales expense by half.

You can use direct mail to identify and attract any customer, prospect or industry market. You can use direct mail to revitalize former customers or prospects.

You can use direct mail to immediately multiply your sales force 5,000, 10,000 or 100,000 times, all for a mere 35¢ or so per salesperson. You can use direct mail to generate leads when it’s too expensive to send salespeople out cold-calling.

You can use direct mail to recruit salespeople, executives and specialized personnel anywhere in the country by zeroing in on targeted lists of specialized professions.

You can use direct mail whenever your company is stuck with overstocked, slow-moving, imperfect or undesirable inventory or with excess labor capacity you need to put to use. You can use direct mail to add a mail or telephone order division to your store operations.

You can use direct mail to quickly and accurately test all sorts of sales, pricing, conceptual, and packaging propositions. Test results will tell you how to expand the application of the tested concept of TV, radio, print, outside sales calls, and telemarketing.

You can use direct mail to promote high-ticket, high-profit products when you don’t want to tie up your money in inventory. By utilizing direct mail to presell special-order items, you not only get pre-paid orders for positive cash flow; you also can pre-book enough advance orders to enable you to negotiate a better price from the supplier. And that’s just for starters.

Once you’ve mastered direct mail, you possess a potent marketing tool that can stretch your marketing abilities many times over.

THE WONDERS OF COMPUTERS AND MAILING LISTS

Direct mail has exploded because it is the fastest growing, most profitable and most easily traceable means of marketing: thanks in part to the phenomenal growth and sophistication of computer programming and the availability of highly specialized mailing lists, categorized by every imaginable classification. Readily available are compiled lists that categorize virtually everyone: attorneys, golfers, company presidents, company personnel managers, company fleet managers, computer experts, members of Elks Lodges, swimming pool owners, dog owners, horse owners, gardeners, tennis club members, or what make, model and year of car people own.

That’s merely the beginning of the new and sophisticated ways you can microscopically focus on prospects for any business product. Want to know who subscribes to any of a thousand different magazines, journals, newspapers, and newsletters? No problem: You can readily rent the subscribers of all but a tiny handful of publications. Wish you could tap into the people who bought merchandise from The Sharper Image? Hey, that customer list can be rented. So, too, can the customer lists of nearly 5,000 other mail-order firms.

Likewise, you can rent lists of voters, of donors, of churchgoers, or of any demographic
designation you can dream up. Thanks to the magic of computers, you can eliminate the possibility of duplicating names, even if you rent a hundred lists. You can avoid wasting your money mailing to people who hate 'junk' mail. You can personalize every letter by name, address and salutation. It only costs a mere 25¢ to 35¢ to personalize each letter!

And, you don’t have to sniff around in a million different places in order to ferret out these mailing lists. Standard Rate and Data Service (1-800-323-4601; 3004 Glenview Road, Wilmette, IL 60091) and R.L. Polk and Co. (404-447-1280; 6065 Atlantic Blvd., Suite E., Norcross, GA 30071) can provide you with catalogues of their lists. Or check your local Yellow Pages under ‘Mailing Lists.’

EVERYBODY’S DOING IT!

Direct mail has grown into a multi-billion dollar industry. The major players who’ve discovered the gold mine of opportunity include magazine and newsletter publishers, catalogue companies, department stores, and record and book clubs.

The next time you come home and find a stack of so-called junk mail in your mailbox, don’t pitch it into your round file! Take a few moments to read a letter or two.

People don’t keep mailing these letters because they don’t work. They mail hundreds of millions because they do work. You, too, can tap this potential marketing technique. All you need is a basic understanding.

WHY SHOULD YOU USE DIRECT MAIL?

With conventional advertising (like TV or display ads) it’s hard to identify and correlate results. But direct mail provides the tools to measure your results to the penny. You can test and compare all sorts of marketing possibilities.

Direct mail is the least expensive and most effective way for you to tell your full sales story to your customers and prospects. I know you have thrown away a lot of direct mail literature and wondered just how such advertising could possibly pay off. The successful direct mail advertiser knows that a huge percentage of the people who receive a letter from them will probably do just as you have done: Throw it out. But if the letter is properly crafted and intelligently tested to a small segment of the list before being aggressively rolled out, it will indeed get sales from an impressive number of people.

In my own mailing experiences, we are perfectly satisfied if 95 out of 100 people receiving our cold prospect mailings don’t open it, so long as half of the remaining five reply. Let’s look at the math. (It’s really simple.)

1. At a price of approximately 35¢ a letter, it costs about $350 to mail out 1,000 letters.

2. If only 2% (20 people) respond with an average sale of $100, the gross is $2,000 for the $350 spent.

3. Deduct 50% of gross for selling expenses and the $350 for mailing and advertising, then subtract 10% of the remaining for G&A (general and administrative) expenses.
4. A mere 2% response can still net almost $600 sheer profit for every 1,000 letters mailed out.

Obviously, if mailing a million letters gives the same percentage response (and it will), you can make a killing. Even half of that yield would still be pretty impressive. These returns are possible with the right lists and the right offer.

A PAPER SALESPERSON AT THE CUSTOMER'S CONVENIENCE

Let's assume you are in the manufacturing business: You make and sell products directly or through salespeople. You are succeeding modestly, but you crave larger profits.

Your sales staff calls on each account once every two or three months. Using properly crafted direct mail, you can call on many more prospects every month. And each 'sales call' will cost you $1 or less, instead of $125 or more.

An intelligently crafted, direct mail offer can present your prospect with all your products or services, or you can focus special attention on a single product. At their convenience your prospects can review and reflect on your selling proposition.

Time can work to your advantage. When you mail the prospect a compelling direct mail letter, your customer isn't time-pressured to say 'yes' or 'no' within the 15 minutes your salesperson would get.

Your prospect has plenty of time to evaluate and reflect on your proposition.

NEW BUSINESS

You obviously don't have all the business or customers you would like to have or you wouldn't be reading this. Direct mail can help develop new customers and accounts.

You haven't acquired all the clients you want for a number of reasons:

* It isn't profitable or economical to solicit them through salespeople or via ads in magazines, newspapers, radio or TV.

* It costs too much time and sales power to convert prospects to customers.

* You don't have a cost-effective way to identify the best prospects or to get the prospects to identify themselves.

Direct mail overcomes all these obstacles, and is a dynamic adjunct to your sales staff. For just pennies per piece, you can unleash an army of paper salespeople all over the city, marketing area, or industry you want to penetrate. And, in a surprisingly large number of cases direct mail does better dollar-for-dollar than salespeople.

THE PARTS OF THE PACKAGE THE CARRIER
The carrier envelope can present a sales message that does the same job as an ad headline. The job of the envelope is to get the letter opened. Crafted properly, the envelope can prevent the recipient from throwing away the letter. This envelope can promise a powerful benefit inside and get the letter opened and read.

Take a tested headline from your most productive display ad and put it boldly on the outside, lower left corner of your envelope. Or, boil down the first few words from your most effective sales pitch and put them on the outside or back of your envelope. Remember, space is limited.

Also, postal restrictions limit your message to a certain portion of one side of the front and back of the envelope. Check with your local Postmaster for current limitations. You must be ruthless in condensing down to the most powerful, high impact words that arouse curiosity.

On the other hand, the envelope may be plain (white or colored), resembling a personal letter - with no hint as to its contents. By disguising your direct mail to look like personal correspondence, it can get by the secretary and avoid the circular file.

Some people put distinctive language on the upper left corner of their carrier envelopes, like 'Executive Offices,' 'President,' initials, 'Research Department,' or 'Treasurer.' Experiment and find what works best for you.

I've used both 'teaser copy' and plain white envelopes. Both worked well, but for different purposes. Test to see which approach yields the most profitable response.

Keep a written record and a file of carrier envelopes that got your attention. Remember, the envelope must get opened in order for the enclosed letter to be read. Once this all-important task is done, the envelope's job is over.

CRAFTING THE SALESPERSON WITHIN

The main selling device is a letter that looks as much as possible like personal correspondence. However, most direct mail has become far more elaborate. These days we see four-color extravaganzas, catalogues, thick brochures and even tapes. That's not to say that the single letter doesn't work just as well.

'Copy' is the direct mail term for the words in the sales presentation that help to pique interest and convince the prospect to buy, call, write, or come in. Its objective is the same as your salesperson's: To convey your product's image through examples, promises and benefits.

If your business is successful, it's probably because you know how to sell. You can adapt those live sales techniques to direct mail. If you currently use radio, TV or print, it's a simple transition to direct mail. If you use salespeople, translating your oral sales pitch to written form should be easy.

Your sales pitch probably contains the following:

* A strong, urgent appeal that creates a need or desire for your product or service.
* Strong reasons why your product or service can satisfy those desires.

* Tightly edited copy, devoid of needless words and sentences.

* Words that overcome objections.

* Answers to questions.

* A strong close.

You already know the hot buttons, buzz words and strongest propositions. Translate them onto the printed page. Create a personal letter that conveys your sincerity and the image that you wish to project. As much as possible, the letter should replicate a one-on-one, cozy conversation around the fireplace.

If you decide to include a brochure, test it against no brochure. Don’t make the letter technical. A brochure is the place for hard facts, specs and performance figures.

JOE KARBO’S ADVICE

Joe Karbo was an advertising genius who practiced simplicity. He expressed his philosophy in a wonderful little book entitled, The Lazy Man’s Way to Riches. You should search out and buy this great book! It’s all about Joe’s successful experiences in mail order and includes a simple formula for writing an almost infallibly successful ad or mailing piece.

It’s so basic that I’m going to paraphrase Joe’s suggestions. Joe recommended two simple tasks in preparing a good mailing piece:

1. Think about all the benefits and advantages your product or service will bring to the people you’re offering them to, and write them down.

2. Pick out the singularly best, most powerful or all-encompassing advantage. This will be your headline.

A headline should appeal to one or more of four human needs - what he called the ‘Four R’s.’

REINCARNATION: The desire for immortality, youth or vitality.

RECOGNITION: Acknowledgement, identification or being distinguished.

ROMANCE: Attractiveness, desirability or popularity.

REWARD: Wealth, achievement, money or power.

After he came up with his headline, he would think about what that product should offer him and what problems he’d like it to solve, and write down all the ideas that would come to him. He’d write down every crazy, off-the-wall, wild and fresh thought that his fertile brain would produce.
His best solutions to copywriting problems came when he turned the task over to his subconscious and then did something removed from writing - like mowing the grass or riding his bike. But he always kept his notepad handy. Joe focused on the desired effect or results people wanted as opposed to the vehicle people used to get there. He used this example: His wife thought she wanted an expensive vacuum cleaner or a maid when all she wanted was an easy way to clean the house.

Joe focused on results. He constantly thought about what his product did better or cheaper or faster than anyone else's. And he wrote ads and letters geared to that focus. He told his copywriting students to think about the reasons that would make them buy.

Joe recommended that his students immerse themselves in the facts and figures about the product. Then after they packed their brains he suggested they go relax and do something else so that their subconscious would take over.

This process would gestate, then pour out thoughts, ideas, phrases, and copy. He would sit down when this creativity started and write. The subconscious edited his outflow.

Once you've written down all that your subconscious gushes out, read it aloud and hear if what you are reading sounds like conversation. This is crucial. It should feel and sound like you are talking to another person.

Joe hated sophisticated writing. He felt that as soon as a reader catches on and notices your attempt to write too clearly, you're done for. All his writing was so natural you thought you were talking to him across the table.

Joe would have other people read his letter to see if the message was clear. He didn't worry whether the reader liked his style as much as whether they clearly understood the offer. If they didn't understand it he'd rework it. If a sentence was unclear, he'd rewrite it. He felt that, after reading his letter, they should know what his product or service would do and what it wouldn't do - its advantages and disadvantages - how much it cost - where and how to buy it or secure more information - plus one more very unusual thing. He would always tell his reader about the disadvantages of his product. The small, weak points. Why? So the reader would believe him. To be completely honest, Joe felt you must lay out the detrimental side, as well as the good. He always told the truth. It's a powerful selling technique.

THE COMPONENTS OF A SALES LETTER

Here are specific components your sales letter should contain:

* It must get the reader's attention with a powerful headline.

* The letter must show distinct advantages in the body copy.

* The letter has to prove or validate your claim of benefits or advantages through factual examples - comparisons, testimonials or credentials.

* The letter must persuade the reader to reach out and seize the advantage you promise.
* The letter must motivate the reader to act, to respond, order, write, come in or send back the coupon.

HEADLINES ARE THE KEY

Here’s a quick refresher course on headlines. The headline is the ad for the letter. It flags down readers to read more. Offer the reader a desirable reward for reading the letter. Tell him how he can gain, save, profit, achieve or accomplish something through your product or service. Or, show how the product or service will increase mental, physical, financial, social, spiritual or intellectual well-being, satisfaction or fulfillment. Show the reader how to avoid, reduce or eliminate problems, risks, difficulties, worries or fears by using your product.

THE BODY OF A SALES LETTER

After the 'Dear Friend' salutation the body of the letter shows people the advantages of your product. The reader wants to know: 'What will the product or service do for me?'

Begin by clearly disclosing a single powerful advantage. Then show more progressive advantages throughout the letter. When you write the body copy, you are wearing two hats. You want to sell, but you must also put yourself in the shoes of the reader.

Write the entire letter from the consumer’s side. The consumer wants to know the same things we covered in our discussion of headlines. Body copy is the same as headlines, only more specific and detailed. Show in words and concrete imagery what they can gain or save or achieve using your product or service: How will it benefit them?

Here are some desires and needs you might address:

* Improved appearance or health
* Business achievement, advancement, profits or savings
* Praise from others
* Becoming a better parent
* Influencing others
* Expressing yourself more potently
* Satisfying curiosity
* Creativity

You must then validate your claim. Facts, and plenty of them, solidify reader conviction and legitimize your offer. People need and want facts as rational reasons for making emotional buying decisions. Facts and proofs build belief and make the readers feel their buying decision is wise. Belief is a by-product of emotion. Never forget that the heart dictates to the head. Your reader wants to believe your letter.
To write a compelling direct mail letter first spend time thinking about it. Take the effort to dissect your product and find fresh new ideas and insights that turn your readers on. Analyze the claims of your competitors and you'll often come up with imaginative and convincing arguments for your own product. If you analyze your sales records, customer profiles and service records, you can generate ideas that readers will really eat up.

I've talked before about viewing your product as if seeing it for the very first time. This is important because your letter will be the first exposure many readers have to your product.

Explore all advantages you can offer.

FACTS, FACTS, AND MORE FACTS

When you present the facts, begin with a statement of basic truth, known and accepted by the reader. By introducing known facts, you create believability for later statements. As you present more facts, your reader will unconsciously say, 'The first statements were true, so the others must be.'

Facts and statements that may impress your reader include:

* Specifics about construction, material and workmanship.

* Facts about the reputation and the standing of your business: Your facilities, research, location, or night and week-end hours.

* Details about employees' experience, credentials, and skills; how many people you employ, by job category; their specializations.

* Special production processes which your competitors don't have. Also, processes everyone uses that your competitors have never promoted - even standard operating procedures.

* Usage of data, records and documents or case studies. People love to see data, even if they can't evaluate it.

* Names of prestigious past or present customers and their endorsements.

Always use specifics instead of generalizations when citing facts. And tell how you arrived at the facts.

Explain clearly and carefully all the sound business reasons why you can offer such a wondrous deal. For example, if you can produce widgets for one-third the cost of your competitors, explain the precise dynamics.

CLOSE THAT DEAL - MAKE THAT SALE

Now get your reader to act.

If your headline is great, your body copy loaded with compelling facts, your proof solid,
and your advantage appealing, it still won’t be profitable unless you ask the reader to act - now!

Many good sales letters end flat, by failing to tell the recipient to act. This results in a waste of the momentum you established. A salesperson can get a second chance if they fail to close but a direct mail letter can’t.

Action-inducing techniques should be direct. Tell the reader exactly what to do:

‘Pick up the phone and call our customer order lines.’

Or, ‘Go to our closest store.’

Or, ‘Don’t let another day go by without sending in for this free information. Return the postage-paid reply envelope today.’

Or, ‘Send your order before the sale ends. Mail it today.’

You get the idea.

Amplify the appeal of the request for action with risk transferal: Tell them the risk is all on you. Show the readers they have zero risk or obligation.

I often use these devices to provoke action:

* I ask them to immediately respond to a specific offer totally at my risk.

* I limit the time and restrict the quantity of the offer, clearly explaining why.

* I explain in detail the loss of sampling opportunities or free bonuses the reader will lose by failing to respond in time.

* I provide a better-than-risk-free guarantee that makes it just short of ludicrous not to take me up on my proposition.

* I tell the reader precisely and in progressive steps exactly how to respond.

For example:

‘Pick up the phone. Tell the service representative you’re replying to my free lawn maintenance offer.

‘Give your address and the first day you’ll be available for a no-obligation, free evaluation.

‘Remind the service rep that if you decide to have us maintain your yard for the next twelve months, you can cancel services at any time and owe us nothing.

‘Be sure to order the full 60% off the normal twelve-month service rate with two extra months free.’
HOW LONG A LETTER?

Should your letter be long or short? Make it long enough to tell a complete, informative and interesting story. People think others won’t read long, multi-page letters. That couldn’t be further from the truth.

When I first published Marketing Genius, my first letter was twelve pages long with a four-page brochure, a coupon, and a ton of teaser copy on the outside of the envelope. But it was interesting and educational. You’ll read any number of pages if a letter captures your interest. Make your sales letter long enough to tell a complete story and to thoroughly address all the necessary components.

Don’t short-cut to save space. Edit ruthlessly for waste or boring content, but never jettison fascinating facts, forceful reasons or specific information that add to your compelling story.

In Scientific Advertising, Claude Hopkins asks if you had a salesperson calling on a customer whether you would tell that person to stop their presentation after thirty seconds to save time? Of course not! You want that salesperson to take as much time as necessary to make a compelling case. That same applies to sales letters.

My most successful sales letters have been eight, ten, twelve, even 16 pages long. But every page was fascinating, every paragraph informative, and every section advanced the case. If you have a hobby or profession, how much will you read on that subject? A page? A chapter? A book? The answer is: A lot. Provided it is interesting. If your sales letters are interesting, people will gladly read them.

THE FACT-FILLED BROCHURE

Your sales letter should be warm, human, sincere, honest, personal and one-on-one.

Your brochure should be technical. It showcases the attractions, components, advantages or positive benefits of the product. It should be written in terse one-sentence or one-paragraph statements that give a solid list of facts and benefits. Reprint or excerpt your best testimonials, endorsements and recommendations.

Begin your brochure with a headline that summarizes the contents:

* HERE IS A QUICK REVIEW OF REASONS YOU SHOULD TAKE ADVANTAGE OF THIS OFFER

* HERE ARE THE REASONS WE ARE ENTHUSIASTIC ABOUT OUR SPECIAL OFFER

* SOME IMPORTANT FACTS YOU SHOULD KNOW ABOUT OUR GEE-GAW

* HERE ARE THE REASONS OUR PRODUCT WILL BENEFIT YOU

FACTS, FIGURES, AND TESTIMONIALS
THAT CONFIRM THE CASE FOR BUYING OUR GEE-GAW

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Before you list all the data in your brochure, write tight sentences or paragraphs that set the stage for each cluster of facts and figures. When listing performance characteristics, for example, preface the list with something like:

'You probably are interested in hard facts. These performance characteristics distinguish our widget from our competitors.' Then provide the list. When listing or reprinting testimonials, preface them with an introductory statement like this:

'We are biased in favor of our product. You'd probably like to know what users say about it, so here are unsolicited testimonials we've received. You can have any of their addresses and phone numbers if you'd like to contact them.' Then, print your testimonials or endorsements.

At the end of your brochure, summarize and repeat a call to action. For example:

'These are some pretty compelling reasons to purchase or at least try our product risk free! Don't you agree? Take us up on our money-back offer. Come in. Or send in the... Or call in and let us send you...'

Also, clearly and prominently restate your guarantee as powerfully as possible, and summarize the entire proposition. It's absolutely essential.

TO COUPON OR NOT TO COUPON?

A coupon-oriented, direct mail offer can track your responses. Write a powerful, one-paragraph statement of affirmation, repeating the offer and the appeal as if the reader were stating it aloud:

'YES!! I agree!! Your proposition is irresistible and your product appears superior. Also, your bonuses are so darned attractive it's hard to refuse. But your 100% money-back guarantee, keep-all-the-bonuses, better-than-risk-free proposition is the real reason I am replying.

'I will take you up on the exact guarantee and try the product, but only for the next 60 days. If it doesn't perform or if I don't benefit just as you promised, I will send it back and expect a full and immediate refund. And I'll get to keep all those desirable bonuses for my trouble.

'On that basis only, here is my order.'

If you are seeking leads or inquiries, say something like:

'Your case is indeed compelling. I don't know if your product is for me, but I want to learn more. So send me the kit or have a representative call and answer my questions. Better yet, do both.

'But only on the condition that I am under absolutely no obligation and no risk whatsoever.'

Go from there to name, address, city, state, zip and phone. Always get phone numbers for follow-up. It'll make you a lot of money. If the reply is cash-with-order or a charge
card order, get all the vital information.

THE REPLY ENVELOPE

Make the reply card postage paid. Most offers do not. Make it as easy as pie to respond. Eliminate all reasons for delay or procrastination."

Here are a number of suggestions from direct mail wizard, Lauren R. Januz, reprinted by permission.

"BASIC CONSIDERATIONS

* MAKE SURE that direct mail is a proper medium for your business or organization. . .that you can use it effectively to contact a sufficient number of identifiable and addressable good prospects. . .with sufficient frequency. . .at sufficiently low cost. . .to show a satisfactory net profit on your direct mail efforts.

* For direct mail to be most successful, it should offer the right product or service. . .to the right prospects. . .at the right time. . .in the right manner to cause enough prospects to buy enough of these products or services to provide the marketer with a satisfactory net profit.

* Develop and maintain an accurate, up-to-date demographic and psychographic profile of each important segment of your customers. Study the profiles carefully and frequently, noting especially any significant increases or decreases in the number of customers who fit a specific profile. Use these profiles for guidance in: product selection, pricing, payment terms and presentation; selecting customers who are most likely to be interested in the offers contained in specific mailings; and selecting mailing lists containing prospects with profiles similar to those of your customers.

* Direct marketing experts agree that selection of a suitable product or products is the first step - and one of the most crucial elements - in making a direct marketing company successful. Select products (1) that will satisfy the prospect's needs, tastes or desires at a satisfactory price on satisfactory terms and (2) that the marketer can sell at a satisfactory net profit, taking into account such factors as: appearance, spoilage, durability, installation, operation, maintenance, repair, legality, shipping considerations, inventory, fulfillment, guarantees and warranties, returns and refurbishing, and duration of demand.

ACTION STIMULATORS

* Use action stimulators to get recipients to open your envelope.

* Use ordering stimulators from start to finish of your mailing package.
* Stimulate action by featuring (in large type or with a simulated rubber stamp imprint) your cutoff date or time limit on one or more of the following components:

On the mailing envelope: front, back or both.

At the top of your letter.

On the order form or response vehicle.

On the reply envelope.

On a separate leaflet or other enclosure included in the mailing package for this specific purpose.

* A double coupon may double or triple sales volume.

* Multiple coupons multiply direct mail response.

* Offer several coupons with different effective dates to stimulate repeat purchases.

* Use multiple early bird discount stickers - with reductions in the size of the discounts as the season approaches - to bring in seasonal business ahead of time.

* Offer prizes of diminishing value to stimulate prompt action.

* Offer gifts or other worthwhile incentives to encourage prospects to order early.

* Offer discounts of various amounts to encourage customers to increase the size of their order(s).

* Give special discounts, prizes or gifts to get prospects to make the first purchase.

* One business supply firm offers new customers a 10% discount on their next purchase in order to encourage them to become regular customers.

* Another marketer offers discounts that can be used on the current order or deferred for use on a later order.

* Offer special discounts, prizes or gifts to former customers to encourage them to become active again.

* If one premium increases sales, test the effectiveness of offering more than one.

* Stimulate faster action and bigger orders by offering multiple premiums with values based on the size of the purchase or the date on which the order is placed.
• Use multiple premiums to achieve multiple objectives.

• Multiple premiums multiplying buying incentives.

• Multiple premiums make your mailing of interest to a wider variety of prospects.

• A logical tie-in of a premium with your business makes the premium more effective.

• Make your premiums unusual but related to your offer and your business.

• The more timely your premium is, the more effective it will be.

• To develop repeat orders, use one of your products as a premium.

• Name brand premiums usually have more appeal than unknown brands or unbranded items.

• A free small gold coin makes an interesting - and inexpensive - premium.

• Use replicas of historic or nostalgic items as action stimulators.

• Many marketers have found sweepstakes to be an extremely successful promotional device for stimulating response.

• Give purchasers a timely reason for paying promptly.

• Offer a free sample in teaser copy.

• Open your letter by offering a free gift for just trying your product.

• Mystery copy and mystery gifts can strongly stimulate action.

• Use a 'Publisher's Letter' to give prospects an extra reason for buying.

• Use an in-WATS line to get more orders.

• Use the telephone aggressively - both outgoing and incoming - to stimulate business, customer activity and the productivity of sales personnel.

COPY

• Well-illustrated, detailed descriptions in print can do a better selling job than most salespersons in retail stores. It also makes it easier for the recipient to absorb and understand more of the selling features of the product.

• A distinctive personality and copy-writing style gives your business
a powerful plus.

* Avoid 'ad-iness' in your copy style. Make copy sincere rather than sophisticated, conversational rather than 'cute' or so clever it distracts the reader's attention from the essential selling elements of the message.

* Unless you believe in what you're writing, the reader probably won't either.

* Design your copy to create rapport with your readers.

* Make your copy warm and conversational.

* Make your copy interesting to read by using an open, specific, concise and easy-to-read style.

* Use short, colorful words that are simple, concrete and active.

* If you're going to talk to people, learn the language they use in talking to each other - and use that type of language in your copy.

* Use the kind of language you know the reader likes to hear - language that appeals to the reader's favorable attitudes towards life and toward himself.

* Use language attuned to the product or service advertised.

* Occasionally use words which disrupt the reader a bit in the smooth reading of the copy. . .words which will make him pause, maybe make him wonder; but don't let your style distract from the selling message.

* Follow one of the better-known copy-writing formulas - use it as a guide - in preparing your mailing pieces.

* Make your copy paint word pictures for your readers.

* Use the story-telling style, well laced with tiny boredom busters.

* Use 'spoofism' occasionally to add warmth and friendliness to your copy.

* Use the 'cordial contact' approach in reminder letters.

* A chatty style may increase readership and credibility.

* Using negative wording - while maintaining a positive viewpoint - can increase impact and credibility and reduce customer dissatisfaction and merchandise returns.

* Use fragmentary sentences separated by three dots ( . . ) to create rhythm in your copy.
**Asking questions may be more effective than making statements.**

**Use the questionnaire format to highlight the principal feature of your product.**

**Describing product features is fine - but describing their benefits to the owner or user is much more effective in producing sales.**

**If your product or service offers numerous benefits, assign each one of them a number and list all of them in numerical order for extra impact.**

**Sell the benefits of ordering by mail or phone in addition to the benefits of your product or service.**

**Putting your letterhead at the bottom of the sheet leaves the top of the sheet free for selling headlines.**

**The area where the name, address and salutation usually appear frequently can be used to better advantage by placing selling headlines in the area instead.**

**Spotlight your most important sales points in your headline.**

**Design the heading or opening paragraph of your letter to grab the recipient’s attention... spark his interest in your message... and whet his appetite for more.**

**In the first few lines of your letter, give the recipient a special incentive to read the rest of it.**

**A good descriptive headline can get a prospect interested in your letter.**

**Project the reader into the enjoyment of your offers as soon as possible in the copy.**

**Summarize your offer at the start of your letter if it has a lot of power.**

**Present the gist of your message in ‘billboard’ style at the top of your letter.**

**Mention the referrer’s name at the beginning of the letter to increase receptivity and interest on the part of persons whose names the referrer gave you as prospects.**

**Increase the impact of both the first words and the last words of your mailing.**

**Use a testimonial as a headline or the opening paragraph of your letter.**
* Make a testimonial letter the heart of your letter. Never underestimate the selling power of believable testimonials and case histories.

* Impressive case histories make exceptionally effective selling copy.

* Use case histories to support claims and to suggest similar use(s) of your products by the recipients of your mailings.

* If you offer more than one product of the same type, use tables and/or 'parallel' descriptive copy to make accurate comparison and selection easier for the prospect.

* Match-up and comparison tables increase the ease of making accurate selection and reduce the number of merchandise returns.

* Product-use information can increase sales and enhance your image.

* Give prospects useful information concerning product use, operation and maintenance.

* Suggest numerous uses for your product or service - especially new or little-known uses - to expand its appeal to a greater variety of prospects.

* Inviting the prospect to make his own comparison of your product(s) and competitive product(s) is a powerful confidence builder and stimulus to order.

* Offer specific suggestions and inducements to prospects for increasing the size of their orders (see 'Action Stimulators').

* A meaningful tie-in with a timely topic (inflation, energy, ecology, shortages, specific holidays, major events of national interest, etc.) is one of the best ways to attract attention and capitalize upon the publicity given and public interest in such topics.

* If your product is - or can be - described as an inflation fighter, emphasize that fact.

* Feature your coupons, discounts, rebates and reduced prices as inflation fighters.

* Describe your products or services as 'problem solvers' by using 'How to' headings in your mailing pieces.

* Describe a present or potential problem, tell how your product or service can solve it.

* Show how specific merchandise can solve specific problems for the user and enhance his or her business or social status.

* Help your reader solve problems and give him assurance that he can
do, can achieve, can succeed, can enjoy.

* If your product carries a higher-than-average price, justify it to your prospect.

* To secure maximum benefit from your credit terms, spell them out clearly, boldly and prominently.

* Be sure to spell out alternative payment plans available to purchasers.

* For maximum clarity and sales effectiveness, spell out savings clearly.

* If you're selling low-priced, highly competitive merchandise, emphasize value in addition to low price.

* Stress the benefits your shipping service offers customers.

* Dramatize the return and refund privileges you offer.

* Make more effective use of the twelve most persuasive words in the English language: Save, Money, You, New, Health, Results, Easy, Safety, Love, Discovery, Proven and Guarantee.

* The word 'Free' is still one of the most powerful action stimulators in the English language.

* Feature 'Free' from start to finish of your mailing package.

* Prove to your prospects that your 'Free' gifts are really free.

* 'Important' is a power word - but use it only when your message justifies it.

* The word 'Charter' in subscription, reservation, membership or other types of offers attracts many persons who like to 'get in on the ground floor.'

* Mention of a 'Reference Card' adds interest and impact when recruiting salesmen.

* 'Never sold in stores' adds distinction to your product.

* 'DON'T send any money now' or 'Don't buy it, just try it' enhances the quality image of your product and helps convert borderline prospects to customers.

* Express huge figures in terms that are easier for your recipients to understand.

* If your offer is seasonal, it may pay to say 'This is the ONLY time this offer will be made this year.'
* Use a 'Last Chance' follow-up mailing to remind prospects of your cutoff date.

* Telling the recipient not to usually makes him want to.

* Repeat key words several times in big type for extra attention, value and impact.

* If you use sweepstakes regularly as a promotional device, show photos and names of previous winners and the amounts they won when you announce a new contest.

* Use a photograph of a previous winner and let him or her make a promotional statement in connection with the start of a new sweepstakes contest.

* Relate to the unrelated if you can make the relationship meaningful.

* Take advantage of the fact that people love to take tests.

* Involvement tokens and stamps are no longer new but they're still effective.

* If nothing else works, test using 'snob' appeal.

* Identify the recipient as a member of a select group that is receiving this mailing.

* Tell the recipient what a select group he will join if he accepts your offer.

* Ask and answer questions frequently asked by prospects that may reduce sales if this information is not made available.

* If you ask a recipient to give you certain information, explain why you need it and how he will benefit as a result of sending it.

* Outlining the step-by-step procedure to follow in ordering many increase the number of orders received.

* Sometimes a letter 'written' and signed by the spouse of a marketer can be very effective.

* Use a postscript on every direct mail letter. The P.S. is second only to the headline in importance.

* Use a postscript to give your prospect an extra reason for ordering, ordering promptly, and/or sending payment with order.

* Print premium information or testimonials on the back of your letter.

* Long, long letters frequently pay off.
* The secret of writing is rewriting. Put your completed copy aside for a day or two - then read it again and see if there isn't room for improvement.

**CREDIT CARDS**

* Accepting credit card business usually increases the size of the order...encourages ordering of more expensive merchandise...and simplifies ordering by phone.

**DISTRIBUTION**

* Addressing prospects by title instead of by name offers six major advantages.

  * Buck slips or pass-along slips containing the titles of persons in the company or organization who should see your mailing can vastly increase its circulation.

  * Pass-along request on the envelope, in the postscript or on an enclosure may salvage duplicate or misdirected mailing packages.

  * Make more sophisticated use of your own list and the lists you rent or buy by looking for those segments of people in a list who buy...and forget the others.

  * Test selective distribution to your list. Some mailing should go to the entire list but it may be profitable to send additional mailings to selected portions of the list.

  * Test an arrangement for including some of your mailing material in the envelope of another mailer and permitting him to include some of his mailing in yours.

  * Investigate the desirability of participating in co-op mailings.

**ENCLOSURES**

* Simulated 'tearouts' of newspaper stories bearing a brief notation in simulated handwriting attract attention and increase readership and credibility.

  * Enclose reprints of newspaper or magazine articles to strengthen believability.

  * Use reprints to capitalize on favorable mentions in well-known publications.

  * Pre-prints of company ads are usually more effective than reprints as enclosures.

  * Including third-party endorsements in your mailing package can hype sales.
* Letters from two different persons in the same mailing package may increase interest and step up sales.

* Use a second letter in the mailing package to increase impact.

* Use a second letter in the mailing package to make a second offer.

* Including a 'Publisher's Letter' in your mailing package may salvage sales you would otherwise lose.

* Sell different business-related products or services to the same prospect and to his secretary with the same mailings by enclosing a sealed envelope with words 'FOR YOUR SECRETARY' printed in the address area.

* Miniature tip-ons affixed to the mailing piece(s) in your mailing package add attention and interest value and increase readership.

* Insert one or more flyers - on white or colored paper - in your mailing to:
  - Add extra emphasis to one of the principal benefits you offer.
  - Stimulate increasing orders to specified sizes or larger sizes.
  - Encourage mailing the order by a specified date or dates.
  - Emphasize the cutoff date for certain offers contained in the mailing.
  - Emphasize the final deadline for ordering anything offered in this mailing.
  - Encourage payment with order.
  - Describe items added to the line too late to be included in other pieces in the package.
  - Present information about mystery gifts you offer.
  - Correct errors in other, more expensive pieces in the package.
  - Warn of impending price increases.
  - Ask for change of address or other updating information.
  - Ask for names and addresses of friends of the recipient who may be interested in receiving your mailings.
  - Ask for confirmation of recipient's desire to continue receiving such items as free periodicals and other publications.
  - Put in a plug for your prompt shipping service if it is better than average.
Emphasize telephone ordering service.

Emphasize acceptance of specific credit cards or ease of opening charge accounts.

Thank customers for this and/or previous purchases and express your desire to serve them even better in the future.

* If you're soliciting memberships, enclose a membership card in the mailing which becomes effective as soon as the recipient applies for membership.

* If your product or service is bought infrequently, enclose an imprinted service item that the prospect or customer can keep until he is ready to place an order.

ENVELOPES, MAILING

* Let the reader 'peek inside' your mailing envelope through front and/or back windows.

* Use Full-View window envelopes to display attractive literature enclosed in your mailing envelope.

* Circular windows in mailing envelopes focus attention on the show-through items.

* Using mailing envelopes with the window shaped like the silhouette of your product makes it very distinctive and increases its attention and identification value.

* A mailing envelope with a distinctive product-related imprint can attract extra attention and start selling before the envelope is opened.

* Change the appearance of your mailing envelope every now and then.

* Use a mailing envelope without a return card occasionally.

* Make your mailing envelope look like a personal letter occasionally and adapt the copy style in your letter to fit.

* Thumb-cut, pull-open mailing envelopes have outperformed conventional envelopes as much as 30%.

* Tests have shown that it cost less to mail in Polymatic envelopes with glassine windows or panels.

* Make the outside front and back of your mailing envelope major selling elements of your mailing package.
* Use effective teaser copy to make the recipient want to open the mailing envelope for more information.

* Use unusual techniques to get your customer into your envelope.

* Put an unusual message on the outside of your envelope.

* Lead your recipient into the mailing envelope by starting your story on the outside front and/or back of the envelope.

* If your product or service provides a powerful benefit to the user, promote that benefit on the outside of the mailing envelope.

* Present major elements of your sales story on the front and/or back of the mailing envelope.

* Print your entire letter on the front and/or back of the mailing envelope occasionally.

* Use the outside back of your mailing envelope to feature good items added to your line too late to be included in the mailing material inside the envelope.

* When a giveaway or sweepstakes is part of your marketing strategy, print the rules on the outside back of your mailing envelope.

* Use the white space inside your envelope mailing for additional selling copy, information or offers - and call the recipient's attention to this information with prominent notations on the outside front and/or back of the mailing envelope.

ENVELOPES, REPLY

* Use reply envelopes to:

Summarize and/or expand upon the selling message, offer, premium, etc., presented in the rest of the mailing package.

Offer special inducements - not mentioned elsewhere - to purchase the merchandise described in the mailing package.

Illustrate, describe and sell merchandise in addition to that offered elsewhere in the mailing package.

Repeat or emphasize your guarantee.

Include a built-in order form or response vehicle.

Provide space for the recipient to list the names of other persons who might be interested in the merchandise offered in this mailing or in receiving other mailings by this marketer.
Provide or repeat specific instructions to be followed in placing the order, making a contribution, paying the enclosed bill, correcting error in the recipient’s name and address, etc.

Remind the customer to enclose the order form, check and/or other essential items before sealing the envelope.

Remind the customer to affix postage (if postage is required); otherwise the post office will not deliver the envelope.

Emphasize your prompt shipping service.

Encourage ordering by phone, especially if you provide toll-free service.

Remind the donor that his contribution is tax-deductible (if true).

State that no receipt for the contribution will be mailed, unless the donor requires one, by placing a checkmark or other notation on the envelope (if true).

Thank the customer or donor for his order or contribution.

Perform other functions you desire.

* If you include both a 'Yes' reply envelope and a 'No' reply envelope in your mailing package, insert a leaflet in the 'No' envelope containing working similar to a 'Publisher's Letter' or describing one or more alternate offers.

* A reply envelope plus a loose stamp may be more effective than a business reply envelope.

* Bangtail reply envelopes can be used for many purpose, including: selling, testing, securing inquiries, surveying customers and/or prospects, featuring premiums, free gifts or bonus offers, making bank deposits or withdrawals, billing cycle mailing, making installment payments on charge accounts or mortgages.

FOLLOW-UP

* Remember that most sales are made after several calls instead of during the first one, so follow up inquiries and leads numerous times before abandoning them.

* Use a simulated 'carbon copy' of your original letter for a follow-up mailing.

* Use telephone follow-ups to supplement your direct mail campaign.

* Send a special 'Thank you' letter to new customers as soon as you receive their first order.
* Thank your customers for every order.

* Send a letter every now and then - when no immediate purchase is involved - to thank customers for previous purchases, invite them to order again soon and enclose some promotional material to supplement the invitation.

* Cultivating customers with regular mailings containing special offers for customers only and saying 'Thanks' for their previous business is one of your best investments.

* Send purchasers of big-ticket items a follow-up letter reassuring them that they made a good buy to offset possible 'post-purchase depression or dubiousness.'

* Keep your customer sold on your products or service after he buys. Send him follow-up mailings to ask how he likes the product. . .whether he would like any further information about it. . .and, if appropriate, suggest ways to use it that he may not have thought about or may have forgotten.

* Increase your customers' goodwill and purchases by sending them advance notices of sales or other special events.

* The New Year season is an especially good time to invite former customers to become active again.

* One realtor builds goodwill by introducing newcomers to the neighbors by mail.

* If you make a mistake in your printed material, follow up promptly with a letter of correction that also does some additional selling.

* If special circumstances delay or threaten to delay mail delivery, use an insert postscript, simulated rubber stamp imprint or follow-up mailing to notify the recipient that the cutoff date specified in the original mailing material has been extended to a specific date or for a specified number of days after the mailing arrives.

* If follow-up mailings to a prospect or customer are not generating any response, try sending a mailing to his wife explaining the importance of hearing from him.

**FORMATS, DIRECT MAIL**

* Make your formats as distinctive as possible without distracting attention from the selling message. Make the distinctive elements of the format fit - and enhance the image of your company and/or your merchandise as much as possible.

* Try an unusual format that you've never used before.
* Vary your formats at frequent intervals to avoid monotony and to strengthen your presentation.

* Change the size of your mailing package frequently to increase interest and appeal.

* Use an oversized or undersized letterhead and envelope to create extra attention, interest and impact.

* Test a tiny letter with a tiny pencil accompanying it.

* Test a jumbo letterhead in your envelope - or mail it in jumbo envelope.

* Specialized mailing formats frequently are more effective and more economical than standard formats.

* Consider using specialized formats that make ordering extra easy.

* Use specialized promotional letterheads regularly or occasionally.

* Test using illustrated letterheads against using conventional letterheads.

* Dramatize big news by using a big format to present your message.

* Use a big sheet to emphasize big size or big quantities.

* Present outstanding testimonials in a big way for big impact.

* A double-gatefold center spread in a mailing piece makes the display of your merchandise more impressive and simplifies comparing several products of the same type.

* Use a simulated statement with a zero balance to tell the customer you've missed him or her lately.

* Offering a discount in the form of an actual or simulated check increases attention value, interest and impact.

* Use a simulated check to dramatize savings.

* Simulated calendar pad sheets attract attention. . .emphasize timeliness and specific dates. . .and stimulate action.

* Use a bond-style border to add importance and credibility to your guarantee, prize-eligibility certificate and other similar components.

* Use appropriate gadgets to increase attention, value and interest.

* Use three-dimensional devices to create action in your mailing piece, intensify impact.
* Include smart-selling stuffers in envelopes, packages, etc.
* Make your mailing package look like a bound proposal.
* A piggy-back letter gets extra attention and readership.
* Using the formal invitation format is very effective for many marketers.
* Use a legal-brief format to promote legal-oriented products or services.
* Use a simulated telegram for urgent messages or final clean-up of a campaign.
* Use one or more of the special 'Gram' formats for extra attention, readership and impact - plus low postage cost if mailed at the bulk rate.
* If you can tell your story on a postcard test this format.
* If a postcard is too small, step up to a self-mailer of whatever size you need.

Use single postcards for:

Announcements of sales and special prices for a limited period of time.

Information concerning special features of future issues of a periodical and deadlines for placing advertising in those issues.

Change-of-address notification or notice that you're moving - and when.

Follow-up on sales announced in previous mailings with emphasis on the cutoff date.

Follow-up on a request for information to a reader.

Advance notice that a special mailing will arrive shortly and asking the recipient to be on the lookout for it and to take prompt action when it arrives.

Describing a service and emphasizing a strong guarantee of performance.

Describing and selling specific merchandise.

Use double postcards to:

Offer free gifts in return for (a) ordering merchandise, (b) submitting names of a specific number of persons with certain qualifications
that make them good prospects or (c) returning the reply portion of
the card to request an updated edition of a free book previously
received by the addressee.

Show and sell actual samples of one or more small products or
samples of material on the outgoing half of the card, with the other
half to be used for ordering the products described on the outgoing
half.

Ask an inquirer whether he: received the information requested; was
called on by a salesperson; bought the product (If not, is he still
interested?); desires any additional information.

Request information that can be provided by checking boxes on the
reply half.

Investigate to see if you can use a newsletter format effectively to
promote your products or service and/or maintain contact with
customers or donors between purchases or personal sales calls.

FUND RAISING

To raise funds by mail:

Be sure to select mailing lists that represent the right market for
your appeal.

Design your mailing pieces to sell your appeal just as other mailing
pieces are designed to sell other services or products.

Explain what your organization is and what it does.

Explain why your organization needs the money and what it will be
used for.

Acknowledge all gifts received, promptly and sincerely.

Avoid making your mailing pieces look so expensive that the
prospective donor may think you're spending money on promotion
that ought to be used to accomplish your primary objective.

Make it easy for the prospect to respond (name and address label of
donor affixed to the reply envelope, acceptance of credit cards, etc.)

Notify donor between solicitations (by letter, newsletter or other
format) how his contribution is being spent and the good it is
accomplishing so he will be predisposed to contribute again the next
time you ask, and possibly increase his contribution.

Test repeatedly: (lists, approaches, layouts, numbers of colors,
formats, paying reply postage yourself or asking the contributor to
pay postage, etc.).
Ask donors for the names of up to six friends who may be willing to contribute.

Make your letter friendly and sincere and use the 'you' approach instead of the 'we' approach.

Be satisfied to break even on your first campaign to a 'cold' list, relying on repeat donations to make future mailings show a profit.

Seek professional direct mail advice and guidance, especially at the start.

Consider using direct mail specialty formulas.

Feel free to borrow good ideas of other mailers and adapt them to your use.

Realize that the consistent and skillful use of direct mail over a long period of time will be much more productive than short-term or spasmodic use of this powerful medium.

* In fund-raising mailings, tell prospective donors how much can be accomplished with contributions of various amounts (including small amounts).

* If administrative expenses take a very small percentage of the total income from your fund-raising campaigns, point this out - in specific terms - in every mailing.

* One fund-raising organization affixed two pennies to its letter to dramatize how it holds administrative costs to a minimum.

* When one marketer offered to send a contribution in the recipient's name to a well-known health organization if the recipient would fill out and return a short questionnaire, almost 65% of the recipients responded.

GUARANTEES AND WARRANTIES

* State your guarantee and warranties in the strongest possible, legally permissible terms - and repeat or refer to them often throughout the mailing package.

* 'Sell' your guarantees and warranties right from the start - beginning with the front of the mailing envelope.

* If your guarantee or warranty is stronger than most others in the same field of business, call the recipient's special attention to this fact.

* A full, one-year, money-back guarantee on a new business book was a powerful selling point.
INQUIRY HANDLING

* Answer inquiries, complaints and compliments promptly, completely, adequately and with thanks to the sender.

* In replying to inquiries, give the inquirer the information requested plus a strong 'sell' about the product plus the name, address and phone number of the nearest dealer or salesperson who can supply additional information if desired.

* If you answer a request within 24 hours after you receive it, include a statement to that effect in a small leaflet enclosed with the information requested.

* When you mail the information requested, include on the front of the mailing envelope some such statement as 'Here's the information you requested' or 'You asked for this important information.'

* If information requested will be delayed, notify the inquirer promptly and, if possible, provide other information of interest to him for his attention.

LAYOUT AND ART

* A well-displayed, well-illustrated product increases the sales effectiveness of the mailing.

* Give special emphasis to each important element of the offer so that none of them are buried or overlooked.

* Use diagonal indentation to emphasize all items in a large group.

* Make liberal use of white space in designing mailing pieces.

* Break up a long story by using numerous background panels of different colors.

* Repetition of colors throughout a mailing piece enhances continuity and stimulates continued readership.

* Use distinctive, subject-oriented hand lettering in your headlines.

* Use hand lettering to spotlight benefits.

* Use simulated handwriting for all or part of your message.

* Use simulated handwriting to attract attention and to emphasize certain statements.

* Test a 'handwritten' letter occasionally, especially if you are soliciting funds.

* Use 'blockbuster' quotation marks for attention and emphasis.
* Use an appropriate photograph or drawing to illustrate the copy on your mailing envelope, letter, reply envelope or reply card and other enclosures.

* Make your illustrations dramatic and meaningful.

* Test drawings (line and wash) against photographs for your mailing pieces.

* Test illustrations of the product alone vs. product in a setting with no action involved vs. action illustrations.

* Test atmospheric art against realist art.

* Use 'call-outs' to spotlight important features.

* Use cutaway views to spotlight important features or emphasize construction.

* Showing the product in actual size (if possible) adds realism and credibility.

* Picture a massive display of your merchandise in your mailing piece(s).

* Comparative illustrations of different products in use simplify selection and encourage trade-up by the prospect.

* Picturing product testing procedures increases confidence in product quality.

* Use a brick wall to represent your building fund and list on each brick the name of a contributor to the fund.

* Dramatize your message with 'before' and 'after' photographs.

* Let the product 'speak for itself' by using a cartoon-type speech 'balloon.'

* Talking money? Use financial symbols for attention value and impact.

* Make your mailing pieces look more professional - at low cost - buy using clip art and stock photographs.

* Informal pictures of a well-known person who signs the letter scattered throughout the letter increases interest and readability.

* Use a simulated clip-on memo slip for statement of special importance.

* Liven up your mailing piece with a cartoon-type illustration every now and then.
MAILING AND POSTAGE

* Mail to your customers more often. If you are now mailing four times a year, increase the number to six or eight times a year. If you increase your number of mailings by 25% you should increase your sales by approximately the same percentage - maybe more.

* Remail your mailings to your better customers three or four weeks later. You should do 60-75% as well on the second mailing as you did on the first one.

* Mailing every business day for six days proved very successful in selling big-ticket equipment and service orders for one industrial supplier.

* Try mailing every day for a week - or three mailings three days apart - with an immediate follow-up by telephone.

* Test bulk rate third-class postage against first-class.

* Using one cent stamps - and lots of them - on your envelope increases attention, interest.

* Make use of U.S. Postal Service 'How to' films, publications and checklists.

MARKET

* Think of your customers as prospects for your current offer who have bought from you before.

* Ask present customers to get new customers for you - and make it worth their while.

* Ask your customers for the names of friends who may be interested in your products or services.

* Test mailing to neighbors of your customers on the theory that many persons who live in the same neighborhood have similar tastes and/or interests.

MEDIA, OTHER

* Coordinate your direct mail advertising with your advertising in other media.

* Occupant mail containing coupons has out-pulled coupons in freestanding newspaper inserts more than 2 to 1 for some retailers.

* Check co-op postcard mailings as a source of low-cost leads.

* Use the space inside your merchandise cartons for special promotions.
* In addition to reducing mailing costs, package inserts offer such advantages as: distribution is restricted to currently active mail order customers. Information concerning customer characteristics permits selection of those who have characteristics of good prospects for your merchandise. Implied approval of the merchandise described in the insert by the company shipping the packages creates confidence by the prospects in the merchandise and your company. If the person receiving the package likes the merchandise it contains he may be more inclined to order the merchandise described in your insert than if he received the insert in a separate mailing. If he is not satisfied with the merchandise in the package and decides to return it, he may seriously consider spending all or part of the money saved on that purchase to buy one or more of the products advertised in your insert.

OBJECTIVES

* Always clearly define the specific objectives of a mailing before you write copy or make layouts.

* Many mailing objectives are mentioned throughout this report. Others include using direct mail to:

  Develop sales leads for your sales force.
  Follow up personal sales calls.
  Acquaint prospects with new or improved products before the salesperson calls so the prospect can ask for additional information during the sales call.

* Secure testimonials from satisfied customers and obtain their permission to use the testimonials in your advertising.

OFFERS

* Include more offers in your mailing package than you are at present. Study the mailings of firms such as Haband Co. which packs a volume of material into its envelope.

* How many offers can you include profitably in a mailing package? Only testing can tell.

* Include at least as many offers or promotion pieces in your mailing package as necessary to bring the weight of the package up to the weight you’re paying postage on.

* Try to develop new, more effective wording for your standard offer(s) instead of repeating the same wording in every mailing. For example, offer a "baker's dozen" instead of twelve . . .or sell 110 instead of 100.
* A special 'We care' offer may increase the effectiveness of your mailing.

* Make your free trial period long enough to impress the prospect with the quality of your product(s).

* Offering a longer trial period than usual may convert more borderline prospects into customers.

* Promote seasonal products during off-season periods and offer alternate selections.

* Stimulate off-season business by asking for it. If you normally have a summer slump, have a special 'summer sale' mailing in the summer. You can boost your sales any time of the year you need a boost through effective direct mail.

* Offer to defer the billing of Christmas purchases until the following February.

* Occasionally offer your prospect the opportunity to determine how much he wants to spend on your product, service, or publication subscription.

* When you ask customers to send you the names of prospects:
   Offer to provide specific benefits to the customer if he complies.
   Offer potential benefits to both the customer and the prospect if he complies.

ORDER FORMS/RESPONSE VEHICLES

* Make your response vehicle sound more important and more beneficial to the prospect by calling it a 'Special Opportunity Application,' 'Reservation Certificate,' 'Reservation Form,' 'Free Information Certificate,' etc., instead of just 'Order Form.'

* Make your order form/response vehicle promotional as well as functional.

* Use selling copy on your response form (order form/response vehicle).

* Picture the product on your response form.

* Feature gifts, prizes, etc., on your response form.

* Summarize your offer on your response form.

* Summarize benefits on your response form.

* Feature telephone ordering service on your response form.
* Use the back or stub of any bound-in response vehicle to feature last-minute additions to your product line.

PRESENTATION

* Look at your mailing pieces through the eyes of your prospect and be sure the mailing piece answers this question: 'What's in it for me?' clearly, convincingly and persuasively.

* If appropriate and possible, use a celebrity’s name, picture and promotional statement(s) in your mailing pieces.

* Ideas that work well for one product or service can often be adapted successfully to other products or services.

PRINTING AND TYPOGRAPHY

* Get to know your printers - not printer but printers. Every direct marketer needs different types of printers with different capabilities to come up with different printed pieces at the best possible prices.

* Get several quotations each time you buy printing, envelopes, lettershop service.

* Save money on inserting by bringing your printer, bindery and lettershop together to work out the best solution before you print.

* Cut printing costs by purchasing printer's waste or trim stock.

* Color-printing specialists may be able to print your mailing pieces in color at a surprisingly low cost.

* Ink jet image printing has boosted response for numerous marketers.

* Scented ink can add a lot of sell-power to mailings for certain types of products.

* Upgrading the quality of paper used has substantially upgraded the effectiveness of some mailings.

* What is your 'wastebasket readability factor'...and what can you do to get people to read your mailing piece when it is sitting on somebody else's desk - or has already landed in the wastebasket? One marketer improved this readability factor appreciably by printing his self-mailers on fluorescent orange or bright yellow paper - with an accompanying increase in response to the mailing.

* Use lightweight paper to save postage and allow you to put more in your envelope.
* Select a folding arrangement that will enable you to use all available printing space most effectively.

* Avoid setting copy in extra-wide lines of all capital letters with no heading between lines.

* Use display type in unconventional arrangements.

* Make a printed letter look as if it were typewritten instead of setting it in regular printing type.

* Use oversized typewriter type to start your letter.

* Try oversized typewriter type for letters to senior citizens.

PRODUCTS

* Look for other products you can successfully sell to your customers.

* Thinking about promoting a new product? First ask your customers if they would be interested in such a product - in order to more accurately estimate the product's potential profitability - or lack of it.

RESPONSE

* Make it as easy as possible for a prospect to respond to your mailing, including supplying a return envelope for the prospect to use for mailing his order to you.

* When offering a 'bill me' option, include both a BRC (Business Reply Card) and a BRE (Business Reply Envelope).

* Provide space on reply cards, coupons and order forms for the customer’s apartment number in order to expedite delivery.

* If you offer toll-free telephone response service, promote it prominently and frequently in your promotional pieces and on order forms and reply envelopes or cards.

* Try a customized response vehicle to get your customers to respond.

* Acknowledge orders promptly and include additional sales literature with your letter of acknowledgment.

SAMPLING

* If your product can be sampled, test its selling power as an enclosure in your mailing package.

* Enclose a sample of your product, if practicable, and suggest ways
for the recipient to test it for himself.

SPECIAL OCCASIONS

* Major anniversaries provide excellent opportunities for special promotions and image enhancement.

* Capitalize on principal holidays and other widely celebrated special occasions.

* Tie in with a timely topic (current events, special problems, etc.).

* Ride on the coattails of current events (energy crisis, elections, cold winters, etc.). When inflation increases sharply, have an 'inflation-fighting' special, etc.

* Moving time for a business is a good time for direct mail contacts by present and potential suppliers.

* Send new stockholders a letter of welcome from the president of the company.

SPECIALTY ADVERTISING

* Carefully selected specialty advertising can send sales soaring.

* Enclosing foreign coins in a mailing has doubled response for some marketers.

* Use mini-coins to dramatize the effect of inflation.

* 'Stretch-Your-Money' promotional coins dramatize savings and low prices.

TESTING

* Remember the 5 basic rules of direct mail: test, test, test, test, test.

* Test continuously to discover more effective offers, prices, payment terms, copy, premiums, formats, etc.

* Don't be afraid to run without a test if your gamble is small.

It goes without saying that the reason for your direct marketing campaign is to make a profit. If you're a non-profit organization, your goal is to collect a certain amount of money or to reach a certain number of people and stay within your budget, so 'the numbers' are of vital importance for you, too.

And if you are trying to determine whether a certain product or service is ripe for direct marketing techniques, working out the dollar figures involved will give you a good feeling for the feasibility of the project you're considering.
There are several measures of direct mail efficiency which will be of great benefit to you. Use them as benchmarks, as projecting tools, and as indicators of failure or success.

**COST PER THOUSAND**

Most direct mailers measure the cost of their mailing programs by 'cost per thousand' - in other words, the complete cost of putting 1,000 packages in the mail.

Let's say you are planning to sell a course on interior decorating by mail. Here are some of the costs involved which would figure in your cost per thousand. This may not cover every last cost your firm might incur, but it will give you a very good start at budgeting your cost per thousand. For purposes of this exercise, we will estimate cost per thousand (CPM) to work with.

<table>
<thead>
<tr>
<th>EXPENSE</th>
<th>EST. TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Layouts/Artwork</td>
<td>$ 720.00</td>
</tr>
<tr>
<td>2. Copy</td>
<td>960.00</td>
</tr>
<tr>
<td>3. Typesetting/Keyline/Pasteup</td>
<td>1200.00</td>
</tr>
<tr>
<td>4. Color Separations</td>
<td>1440.00</td>
</tr>
<tr>
<td>5. Printing</td>
<td></td>
</tr>
<tr>
<td>a) Brochure (100M)</td>
<td>7200.00</td>
</tr>
<tr>
<td>b) Letter (100M)</td>
<td>2400.00</td>
</tr>
<tr>
<td>c) Order Form (100M)</td>
<td>3000.00</td>
</tr>
<tr>
<td>d) Outer Envelope (100M)</td>
<td>2400.00</td>
</tr>
<tr>
<td>e) Business Reply Envelope (100M)</td>
<td>1200.00</td>
</tr>
<tr>
<td>6. List Rental (100M names averaging $60/M)</td>
<td>6000.00</td>
</tr>
<tr>
<td>7. List Preparation/Merge Purge</td>
<td>1200.00</td>
</tr>
<tr>
<td>8. Mailing @ $24/M</td>
<td>2400.00</td>
</tr>
<tr>
<td>9. Postage @ $100.80/M for bulk rate</td>
<td>10080.00</td>
</tr>
</tbody>
</table>

$40,200.00

If this mailing consists of 100M names, the costs per thousand is $40,200/100 - or $402 per thousand. Let us look at each of these entries to clarify what they might include.

1. **LAYOUTS/ARTWORK.** If you are creating a new mailing 'from scratch,' you will need layouts and perhaps photography and illustrations. If you do not have a layout artist on your staff, you will need an outside source, and the cost will be allocated to the mailing. If you do have a staff artist, his/her work may be allocated to 'overhead.' Paying for this help will be a part of the 'contribution to overhead' you must figure into your evaluation of the job's performance.

2. **COPY.** The same holds true for copy as for layouts.

3. **TYPESETTING/KEYLINE/PASTEUP.** These jobs may all be handled by the same source as the layouts, or you may have a separate production studio do these tasks. Once again, if you have a production department 'in house,' their work may be considered part of overhead instead of job cost.

4. **COLOR SEPARATIONS.** If you plan to do a four-color printing job,
you must budget for color separations which prepare your photography for the printing process. Your art studio can help you find sources for this.

Keep in mind that if the job you are budgeting is a reprint or a slight revision of a previous job, Items 1 through 4 may not be necessary at all. Or you may have only a small bill for resetting type to update your copy, and pasting up the new type in place.

The irony of a direct mail campaign like this is that the heavy production expenses come before you know whether you've got a winning product or concept. Speak to your accounting department about ways to spread out the burden of the original production expense over the life of the project so you can get a good 'read' on the product's viability.

For instance, here we have a test quantity of 100M at a cost per thousand of $402. Of that, $4000, or $40 per thousand is production expense that will occur only once, assuming the package is successful with only minor modifications required. Therefore, you should keep the S0/M burden in mind when you evaluate the test performance - realize that you won't be making real money until you are able to roll out and print larger quantities of the material already produced. Then you will have a lower cost per thousand.

Back to an evaluation of expenses:

5. PRINTING. It pays to talk with at least several printers when planning a mailing, especially the first time around. Getting several quotes will give you a feel for what you should be spending - and you may locate a printer who can give you an especially good deal because his/her equipment is compatible with your job.

The printing bill for a test mailing may be extra high for at least three reasons. First, any halftones and plates which need to be made will be costed to this original job. They can be used again when you reprint without incurring additional costs.

Second, the test quantity most likely will be smaller than the roll outs you will plan. In printing - especially four-color printing - the 'price breaks' for increased quantities can be very impressive. You might want to get quotes on some large quantities at the time of the test so you'll have an idea of what to expect when planning subsequent phases of the mailing.

Third, the test may include several versions of the job. Each time you change a piece, the cost of printing goes up because of plate changes, color changes, labor cost, etc. Once you establish your 'control' package, your printing will be 'straight run' material that is less costly to have printed.

A note about envelopes: It is faster to have stock envelopes overprinted with your indicia, return address and any envelope teaser copy, but is substantially more costly. The budget-wise way to order envelopes is to standardize as much as you can, and have them made to order in advance. To be safe, allow six weeks from the time you award the job if you plan to have envelopes made to order.

6. LIST RENTAL. If you are using your house file of names for a part of the mailing, list costs per thousand will decrease because those are 'free' names to you. It is not safe to use an average like $50 a
thousand unless you have worked out the individual list costs and found that this is the average. If you order a number of highly specialized lists, your list costs may be somewhat higher than this. You may save on lists by arranging list exchanges - but remember, if you do this, the other firm will be able to mail to your list free just as you will be mailing to its list.

7. LIST PREP/MERGE-PURGE. Costs for this function vary substantially and have to do with the size of the mailing, the complexity of the job and your relationship with the computer house. If the computer house does the maintenance on your firm's list, you should be able to work out some type of volume 'deal.' The 'prep' job normally includes putting all the names you're mailing in one zip string (i.e., zip code sequence from 00000 to 99999) - or in any number of zip strings according to your test plan. You may also have the names coded, checked against a 'nixies' list to drop out the outdated addresses, and checked against a 'pander' list to make sure you do not mail to people who have asked not to receive direct mail solicitations. There are a number of other services a computer house can perform for you if you so desire, but of course each service adds to the bill.

8. MAILING. The term 'mailing' here means lettershop service. This includes inserting to your specifications, labeling, sealing envelopes, stamping or metering the envelopes if necessary, bagging the mail, delivering it to the post office, and making sure it is accepted and entered into the system. The lettershop may also help you obtain the permits you need, give you advice about methods of inserting, and hold inventory for you.

9. POSTAGE. In this hypothetical example, we are assuming that you will mail bulk rate. To do this, you must follow a set of procedures spelled out by the post office. In brief, for a bulk rate mailing, your pieces must be in zip code sequence. they must be separated by zip code, and labeled by zip code to speed post office sorting. You must also obtain a bulk rate permit in order to mail at the lower rate. You may save a bit more money by sorting your mail into carrier routes - called 'carrier route presort.' This procedure will be beneficial to very large national mailers or for local mailers with heavy concentration in a few zip codes. It is not worth the savings for those with light penetration among large numbers of zip codes - for one thing, the cost of having the pieces sorted by carrier route must be weighed carefully against the post office savings.

Bulk rate mail does not get delivered as fast as first class mail in most cases. It is wise to allow a good ten days for national penetration - especially if you are mailing from a very busy bulk rate mail center, such as Chicago.

First class mail has more urgency than bulk rate mail, but it is almost twice as costly. You may save a bit by presorting first class mail - again, if you have high concentration in most zip codes. Most mailers find that bulk rate mail serves their purpose best for the general mailings they do - and first class is warranted in the case of messages to customers and some time-dated mailings.
Let's get back to the interior decorating course, and the mailing at $402 per thousand. Let us say that we mailed the 100M pieces and received 1,000 orders. That's ten orders per thousand pieces mailed. To obtain the cost per order, therefore, we simply divide $402/10 = $40.20 per order.

This figure in and of itself means little until we plug it into an overall budget including the cost of the product and the minimum amount needed to cover overhead and profit.

A rule of thumb for many direct mail products is that they require a 'three-time markup' in order to succeed. Say that our interior decorating course has a basic cost of $40. A three-time markup would make the retail cost of the product about $120.

That means that so far we have spent:

- $40.20 per order on direct mail costs
- $40.00 per order on the product itself
- $80.20 subtotal

If we take in $125 per course, the amount left over for overhead and profit is:

- $125.00
- (80.20)
- $ 44.80

This $44.80 (or $44,800 for the mailing) must cover contribution to overhead, shipping and packaging (if not included in the $40 product cost), returns, and any other cost of doing business not included in the product cost or direct mail costs.

**PROJECTING AND BUDGETING**

This example works backwards - it assumes that we already know how many orders we will receive. But with a new mailing, you may have scant information to help you determine what amount of response you may receive. To decide whether to proceed at all, and if so on what basis to proceed, it is advisable to do some 'worst case,' 'best case,' 'likely case' projecting.

Say you have sold a course in cooking by mail before, and your average sale was six orders per thousand. (Depending upon the sophistication of your records, you may have average sales figures by season, by list, by product type, and so on. Some mailers even do regression analysis to find out how these and other factors work together to affect the results of a mailing.)

To prepare a forecast for your upcoming mailing on the interior decorating course, you may want to use the figure of six orders per thousand as a benchmark - assuming that the cooking course was the most similar product you could find in terms of price, offer, appeal, etc. Adjust that figure based on what you know about the new course. If it is more expensive, less generally appealing, or different in some other obvious way, you may want to adjust the basic 6 OPM figure up or down.

Now, figure out the monetary results if you receive the projected 6 OPM, and also for a
higher figure (best case) and a lower one (worst case). These figures will have to be compared with your break-even figure (i.e. the amount you need to cover product cost, direct mail cost and overhead before any profit is figured in).

Here is how your projection might look:

Best Case: 10 OPM - At $402 per thousand, your cost per order is $40.20

Likely Case: 6 OPM - At $402 per thousand, your cost per order is $67.00

Worst Case: 3 OPM - At $402 per thousand, your cost per order is $134.00

You can see from these figures that at a $125 selling price, the 'worst case' results would not even cover the direct mail costs. On top of this you would have the product cost of, say $40, and your overhead to cover. You might be willing to go ahead, even in this circumstance, however, if you were willing to invest the money in the test, and felt confident that subsequent roll outs would bring about a profitable overall picture.

Some complete mailings are done at break-even, or actually 'in the red,' in order to develop a list of buyers who will be profitable names for the firm over a period of time.

Your firm's objectives will be highly individual, based upon the amount of capital you have available, your firm's goals, how long you have been in business, etc. These basic tools will help you to work with your own figures to see how the mailing you're planning will meet the objectives which you set. In order to obtain the figures, you need to estimate break-even, overhead and other important amounts for planning. It is wise to work closely with your accounting department, or your outside accountant if he/she is not on staff with you. Careful evaluation of all costs, obvious and more hidden, will pay off in the long run. Looking at 'the numbers' well in advance will help you to make sure you are protected against the irony of a mailing which is successful by all standards except the most important one: profitability.

QUESTIONS FOR REVIEW

Each lesson in the DIRECT MARKETER ends with a few self-answering questions which serve as a review of the main topics covered in the lesson. Check back over the lesson to see how well you have answered them.

1. Name the various expenses which contribute to direct marketing cost per thousand (CPM). Try to identify other costs, not mentioned here, which might apply specifically to mailings done by your firm.

2. Which expenses are 'one-time' and which are likely to recur with each mailing promotion?

3. If your mailing cost is $250 per thousand, and you mail 50M pieces, what is your cost per order if you receive 750 orders? What is the cost if you receive 1,000 orders?

SCIENTIFIC TESTING FOR INCREASED RESPONSE
Pick up any newspaper or magazine and look at the consumer ads. Not a single major advertiser 'rolls out' a major campaign without extensive copy and graphics testing. As a matter of fact, general advertisers spend more than $75 million each year for market research and testing - attempting to determine just how the consumer will react to a single ad.

Unfortunately, most consumer advertisers who use the conventional media (newspapers, magazines, radio and television) can only rely on marketing research to determine which ad will pull best. If they wish to test two ads they must do it in two different markets. Hardly a scientific method of testing an ad.

That's one of the things that makes direct marketing unique. We can scientifically test copy, layout, mailing lists, mailing dates...just about any factor that we want to test.

Ad agency President James Kobs, author of Profitable Direct Marketing Methods (Crain Books, 1979), cites a case where 400 direct marketing pros examined eight direct mail packages and not a single one of the pros picked more than six of the eight test winners. Even the pros of the direct marketing business are unable to judge which advertising package the consumer is most likely to respond to.

There are several rules to testing...rules that if broken will invalidate the test and make it impossible to predict (with even reasonable standards of predictability) the ultimate roll out results.

IT IS IMPOSSIBLE TO TEST MORE THAN ONE THING AT A TIME. You can test letter vs. letter or price vs. price. Or, brochure vs. brochure. Or package vs. package. But you cannot attempt to test two elements at a time. If you do, your test will be invalid. Probably the most tested components of direct mail packages are letters, envelope teaser copy, price and, of course, mailing lists.

When attempting to determine what to test, look for the areas in your package that you can vary the greatest! Some years ago we were involved in a four-way test for an industrial marketer who was seeking leads for his salespeople and the difference between best and worst of the four tests was nearly 300%. Obviously, the mailer rolled out the package that had the greatest likelihood of success. We're often reminded that direct marketing can be much like a Las Vegas roulette wheel - but that we can control the odds if we do appropriate testing.

ALWAYS TRY TO BEST YOUR 'BEST' PACKAGE. Never be happy with your best-pulling package - always test against it in the optimism that you can improve on its results. Kiplinger Washington Letter has been testing against its 'More boom and Inflation ahead' letter for nearly thirty years and has never found a roll out package that beat that package. But the firm keeps trying!

MAKE SURE THAT YOU CAN RECORD THE RESULTS ON A TEST MAILING. Computer list management has substantially improved the control that direct marketers have over recording the results from their mailings. Any good list broker will help you set up a method of controlling your response and recording it. It simply means assigning a series of numbers (or numbers and letters) to each list used and making sure that you receive the label back on your order or inquiry form.

USE THE RULE OF 5'S. When you test a list you must make certain that you are testing a large enough segment so that the results will be statistically valid. A good statistics
textbook with a probability table will be of help to every marketer. But I like a simpler method of testing. If you test quantity ‘X’ on your first mailing, your next mailing of that segment should be no greater than 5X. In other words, if you test a 5,000-unit segment, your second mailing should be no greater than 25,000 pieces. Your third mailing, provided the second mailings holds up, can expand to 125,000. The fourth could theoretically go to 625,000 - and you should be working in relatively valid segments.

MAKE CERTAIN THAT YOU DO A PROPER ANALYSIS ON YOUR RESULTS. Make sure that you analyze the results from your test mailing in terms of your 'net dollar return' . . .or contribution to gross profit. After you deduct your mailing costs, don't forget your product costs, warehouse and fulfillment, shipping, etc.

MAKE CERTAIN THAT ALL TEST QUANTITIES ARE MAILED TOGETHER. Lettershops like to mail daily to avoid having skids and skids of mail bags clogging their traffic flow on their work floor. As a result, on a larger mailing there could be a discrepancy of several days from first drop to final. You should insist that your lettershop drop the entire quantity on the same day to make sure that all mailing packages have an equal chance of success. This may take a little convincing your lettershop... but I assure you it can be done.

YOU ARE THE BEST 'TESTER' EVER INVENTED. If you're new to the job... or have inherited test statistics that were created by somebody else...tread with extreme caution. Some years ago my author purchased a newsletter and with it got very complete records of previous mailings - or so we thought. Based on those statistics we dropped 280,000 pieces on our first mailing - using modest size roll out quantities on lists the previous owner of this publication claimed success on. In some cases the results held up...but in others we had an absolute disaster. One list of a major business mailer had a 90% fall-off from the records we had inherited on our first drop to that list. Fortunately, we had only included 25,000 of that list in the overall mailing - but it was enough to hurt. We lost about $20,000 on the mailing - which for our little company hurt! Believe only the results from your own tests. Any other results are subject to the creator's interpretations and that could lead you astray.

TEST RESULTS ARE LIMITED BY THE LENGTH OF TIME FROM THE TEST UNTIL THE ROLL OUT. If you made a test three years ago the results are no longer valid. You must analyze and make your decisions from a test within a relatively scant period. Lists change. Consumers change. Attitudes change. Just as everything in this world is changing, you will find that the results of a test will change because of changes in the world. If more than six months have passed from the test until you want to roll out, we suggest you retest.

DON'T TEST PINK ENVELOPES VS. BLUE ENVELOPES. Back in the early 1950's direct marketers spent tremendous sums of money trying to determine what color reply envelopes brought in the most orders. Even the biggest marketers were involved in this testing. After much statistical reporting, testing and comparing results by numerous direct marketers the hearty conclusion was that the color of the return envelope had very little effect on response to a mailing. We tell this story because it is a prime example of 'testing insignificant' items.

If you test at all, make sure that the items you are testing are not trivial. Test copy, headlines, brochures, packages, lists - don't test one photograph in a brochure vs. another. Don't test green ink vs. blue ink on the order card.
These insignificant items - if added together might have a very slight affect on your mailing results. But the time and cost of testing these insignificant items would far outweigh any results gained from the testing.

**SOME IDEAS ON WHAT TO TEST**

We suggest that for the newer company you first must establish a 'control' package so that you have something to test against. Developing the control package can be done by creating two (or more) variations of the same package - keeping the brochure (the most costly element) the same in both but changing all other elements. This becomes a 'package' test - Package A vs. Package B. This will help you establish a 'control' - whichever one of these packages pulls best, you'll use as the control.

Then we suggest that your next test should include either a 'copy' test of the letter - letter vs. letter - or an envelope test - change the teaser copy on the outside of your envelope and test a new envelope against your present envelope.

We like to spend time testing letters because a new letter can have a major effect on a direct mail package. A long letter vs. a short letter is one of the first things we like to test. Contrary to what many novices tend to believe, long letters frequently outpull short letters.

If you're going to use premiums in your package - as is so often done in both consumer and salesmen's lead mailings - you'll want to test various premiums against each other to determine what type of premium brings in the greatest response.

A few years ago calculators were a 'hot' premium. . .then when the market became nearly saturated, calculators virtually died as a premium. In recent months they have made a strong comeback in the form of the business card-sized calculator. Had a mailer not been continually testing his premium, he could have gone through a pretty dry spell in response because the premium was wrong. Six months from now the situation may be entirely different again. Premiums are a volatile business. . .and must be tested frequently if you're going to have continual success.

Sweetening the offer with a premium can have a large effect on response. Every major direct marketer can tell stories about what will happen. I don't think that anybody can top the one, however, that happened to your author in the early 70's while working with a major business machine manufacturer. Our effort was designed to get leads for salesmen and we were dropping millions of pieces of mail a year. By finding the right premium, we jumped front-end response from under 2% to over 7%. Our premium was simply an 'Idea Handbook' that described the various products manufactured by the company and showed the prospective customer how he could better use the equipment. Obviously the client was delighted with the results, though the sales force was slightly less enthusiastic because the premium resulted in a looser lead than the previous mail effort that did not give a 'bribe' for a response. The campaign continued for nearly five years - the best indication of its success.

Testing the format is probably one of the most important test items. Should your mailing package be a #10 envelope, 6x9, 9x12, Dartnell self-mailer type format? Should your mailing be in full color or can you get by with two colors? Should the ad have a two color bind-in card or is a coupon in the ad adequate? Should one of the Response Graphics computerized formats be used for the mailing package? Every direct marketer worth
his/her salt maintains an 'idea file' - samples of what other mailers have done. If you’re going to successfully test, you must be continually on the lookout for new formats that can open the doors for major success.

Envelope tests are equally as important. Most envelope companies are not creative! As a result, it normally pays to buy envelopes from the 'low bidder' rather than working with any one particular envelope company. Exception: if an envelope company can provide you some unique format, you’ll want to latch onto them and test some of their formats even if their envelopes cost you a few cents more. The only creative envelope company that we’ve come across in nearly twenty years is TENSION ENVELOPE COMPANY (12th and Campbell Sts., Kansas City, MO 64108). Drop a note to Bob Bonebrake at TENSION and ask him to send you one of their envelope idea kits. They make envelopes for every direct mail purpose and own more patents for creative ideas than all other envelope companies put together.

Jim Kobs suggests that a test for a new venture should be concentrated on the two most significant parts of the campaign - lists and offers.

Once you have proved that the product or service is salable by mail (and not all are) you’ll then want to refine your testing and test:

1. Additional lists.
2. Price.
3. Free vs. sample offers.
4. Premiums vs. no premiums.
5. Premiums vs. other premiums.
6. Elaborate vs. simple mailing packages.
7. Four-color vs. two-color printing.
8. Sophisticated computer formats.
9. Bounce-back offers vs. no bounce-back offers.
10. Frequency of mailing to the same audience.

Back in the old days BFTC (Before the Federal Trade Commission) book marketers used to do extensive 'dry testing' - put out a mailing to sell a product before the product was actually created. Obviously, the saving to the marketer was tremendous. If the product didn’t sell, the expense of creating it wasn’t necessary. The Federal Trade Commission, however, has put some restrictions on how dry testing can be used. They do not object to the use of dry testing so long as:

* The public will not be misled to think that the books (or products) are already manufactured or will definitely be manufactured.
* Notice of the conditional nature of publication is made in the promotion.
* Notice will be given to those who ordered within four months if publication will not be completed.
* There is no substitution of product - the product offered is the only one delivered.

Few direct marketing firms do as much testing as they should. If they did, they would find that they could improve many of their results by substantial percentages. The major
agencies recommend that a fixed percentage of the overall advertising budget be devoted strictly to testing. If you test and continually retest - using the results of your analysis to make further marketing decisions - the results can help a company grow from a small marketer into a substantial one.

'Monday morning quarterbacking' or 'postmailing analysis meetings' are frequently the best-spent time that a direct marketer can be involved in. The author spends 50-60 days a year with clients helping them analyze results from previous mailings and 'Monday morning quarterbacking' previous mailing efforts. It is this effort that can make a company see just where it stands and how it can best proceed to grow.

We would be blatantly remiss if we didn't comment (despite the fact that this may sound like a commercial for our consulting services) that frequently an outside consultant can help a marketer better understand what he has accomplished - or wants to accomplish - through testing.

Testing will help you progress faster than you would through blind mailing based on hunches. Be sure that what you are testing is significant and that you make a valid test (one element at a time). Through ongoing testing, re-analysis and retesting you will increase the response from your mailings. It may seem like a slow process but it's the only stable one for best growth.

QUESTIONS FOR REVIEW

After you answer the questions below, check back through this Notebook section to see how accurately and thoroughly you absorbed the information it contains.

1. What big advantages does direct mail have over other media when it comes to testing the effectiveness of a specific promotional effort?

2. In testing direct mail packages, which components should you test?

3. Which components of a direct mail package should you test? Why?

4. What is the rule of 5's? How is it used?

5. Should all direct mail packages included in a test be mailed within the same month, the same week or the same day? Why?

6. How soon after the test is completed should your roll out mailing be made? Why?

7. What is a 'control' package? How is it selected? How is it used in a testing program? When should it be replaced by a different package?

8. What is the value of including a premium offer in a mailing package? How do you select the premium to be used?

9. What is an 'idea file?' Why is it important?

10. What is 'dry testing?' Is it still permitted by the FTC?
11. Why is it important to accurately:
   a. Record the results of each test?
   b. Make the proper analysis of those results?

12. Does 'Monday morning quarterbacking' on test mailings pay off? How?

13. Should testing be done once a year, once a month, or more or less continuously as far as your promotional budget will permit? Should a definite appropriation be provided for testing?

**Direct mail marketing wizard, Don Hauptman, advises:**

''Real people' have appeal, and human interest can be a powerful selling tool. Here's how other direct mailers have done it, and a step-by-step program you can put into action to harness this overlooked technique and make it pay for you.

'When I was 16, my father died of a heart attack. . .'

Recently, a client of mine acquired a newsletter called Cardiac Alert and assigned me to write a direct mail subscription promotion package.

During our discussions, he mentioned his intense personal interest in the subject, stemming from a family history of heart disease. Sensing an idea, I probed further for the details.

When the package appeared, it contained a 'publisher's letter' - a brief note in addition to the main sales letter. The outside of the folded note contained, in simulated handwriting, the eleven words above.

Inside, the copy I wrote ran as follows:

Dear Reader:

When I was 16, my father died of a single massive heart attack. He was only 46 years old.

The shock of this tragedy had an enormous impact on my life. As I grew older, I found myself increasingly concerned about heart disease. I vowed that I would not follow in my father's footsteps.

Heredity was, of course, beyond my control. But environmental factors were not. I knew there were actions I could take to minimize the chances of falling victim to America's #1 killer.

I began by reading whatever I could find on heart attacks. When Cardiac Alert first appeared, I became a Charter Subscriber. (I still have the first issue.) I was impressed by the newsletter, and by its excellent research and writing.

Then came an unusual twist of fate. As president of Phillips Publishing, Inc., I was suddenly presented with the opportunity to become the publisher of Cardiac Alert. And I did.

I consider it a privilege to be able to help others protect themselves against this savage
disease that killed my father.

I hope you’ll read the enclosed letter and decide - as I did years ago - to become a subscriber.

Cordially,

Thomas L. Phillips
Publisher

ANALYZING THE COPY

What is it that makes this short note so powerful?

First, it’s dramatic. It tells a story. The reader’s curiosity is aroused, and he is ‘drawn in.’ Like any good story, it has a beginning, a middle and an end. Next, it’s incredible. It sounds like the truth - because it is the truth. This is important. Today, many people are skeptical of advertising. Puffery and exaggeration claims turn them off instantly. Sincerity is welcomed - if only because of its comparative rarity.

The reader can identify with the situation presented. All of us are conscious of our mortality. We’ve experienced the serious illness or death of someone we know, and we’ve thought about the possibility of such a catastrophe striking us. As a result of its strong emotional component, the reader is affected more profoundly than if the copy relied exclusively on abstract intellectual argument.

In sum, the copy has human interest. ‘Real people’ are involved in events that matter - that matter to the reader. Nothing is more interesting to people than people.

Finally, it’s worth noting that the reader isn’t being subjected here to a blatant sales pitch. Instead, he is informed, engrossed, intrigued, educated, seduced. The point is made, not by lecturing, but through the more palatable devices of storytelling and dramatization.

AN OVERLOOKED TECHNIQUE

Used properly, human interest can be an extraordinarily effective advertising tool.

Novelists, playwrights - all storytellers know its appeal. So do journalists and publicists. Magazines and newspapers long ago discovered the impact of photos of people, particularly close-ups and action shots, with descriptive captions. Fund raisers have learned that the picture and story of a single woebegone child is worth more in contributions than reams of statistics on poverty and starvation.

Why, then, is the human interest technique used so infrequently in direct response advertising?

One answer may be that it isn’t easy to pull off. Good ‘people’ stories are tough to find. Occasionally, a superb anecdote might come your way by chance. But far more often you’ve got to dig for them. And that requires time and hard work.

SOME EXAMPLES

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Here are a few illustrations of human interest in direct response copy.

For Decker Communications Report, a publication that helps executives improve their speaking skills, I found a relevant incident in the background of editor/publisher Bert Decker:

'Ten years ago, my film company bid on a major project for the National Park Service. It was a $400,000 contract. The written proposal was regarded as excellent by everyone who read it. I went to Washington to sell the concept to a five-man board - and lost! Why? A friend on the board told me afterward: "Bert, you seemed nervous. You didn't look confident. They just couldn't believe you could handle the project." That was when I decided to do something about my presentation abilities.'

For a tax advisory service, I decided to exploit a terrific subscriber anecdote, heading it 'A True Story:

'One day last November, the president of a firm based in Washington, D. C. picked up his copy of Tax Angles and read this item: (Citation of a federal tax exemption). The executive, unaware of this point, had been paying Social Security taxes on his employees' sick pay for many years. Justifiably annoyed, he confronted his outside accountant: "Why didn't you tell me about his? Why did I have to read about it in Tax Angles?"

For a company that sells cigars by mail:

'Shortly after Fidel Castro seized power, the United States declared an embargo on Cuban products. But a Cuban grower managed to smuggle out of his country twelve pounds of the finest Pinar del Rio tobacco seed - hidden in the diplomatic pouch of a sympathetic ambassador stationed in Havana.'

And for Office Technology Management, a newsletter, I had the publisher relate his own experience:

'A year-and-a-half ago, we decided to automate our offices with word processors to compose and edit our publications. We installed the latest equipment, the most advanced technology. But we made one serious mistake. We didn't know how to exploit the full capabilities of our expensive and sophisticated new machinery. As a result, many thousands of dollars were being wasted. In talking with others, I discovered that the mistake we made is far from unique. . . .'

Study these examples. Do any of them suggest a 'human interest' approach that you might be able to take in your advertising?

USING TESTIMONIALS

Is a customer testimonial or endorsement an application of the human interest principle? Yes, but not always. To understand this paradox, let's consider two very different types of user testimonials, which might be categorized as follows:

1. SUPERIATIVE. These are the familiar effusive quotes: 'Sensational!' 'I use it every day!' 'Wouldn't be without one!'

2. ANECDOTAL. These narrate an incident relating to the user's
experiences with the product. 'Case histories' and 'before-and-after' accounts fall into this category.

While the first should not be dismissed, their only human interest element consists of the fact that a human being is quoted. Superlatives tend to lack credibility.

The second type of testimonial, well-handled, is far more powerful than a truck-load of adjectives. Such anecdotes are more believable because, instead of empty praise, they cite a reason for the user's satisfaction. It's easy for the reader to doubt the sincerity of a gushing tribute. It's a lot harder for him to be skeptical of a first-hand report of a specific event.

**HOW TO DO IT**

Could 'the human factor' increase the impact of your advertising? Probably. But to do it right, you need a systematic approach. Here are some suggestions:

1. 'Capture' every promotional idea. Save unsolicited customer letters. Instruct salespeople and telephone personnel to listen for and jot down comments that express satisfaction, unusual product applications, benefits or results. Remember: once they get away, they're gone forever. Don't let that happen.

2. Begin a program to generate material. But don't stop with the ones that fall into your lap. Initiate a system that will produce usable anecdotes and testimonials. One of my clients automatically sends a letter to all customers four months after purchase, soliciting just such feedback. A mail or telephone survey can be very productive. Bear in mind, however, that most people are not natural storytellers. To get them to open up, they must be prompted and coaxed by a skilled interviewer.

3. Specifics beat generalities. When interviewing, don't settle for vague replies such as the statement that the product 'saved us money.' How much money? Similarly, 'Ajax widgets cut our production delays by 35 percent' is superior to 'We saved time.' Probe for success stories, problems solved, concrete results. The more details, the better. Specifics supply a ring of truth that cloudy generalities can't equal. And they provide 'color' - vivid, descriptive touches that convey a sense of authenticity and realism. Unless confidentiality is a factor, or permission impossible to obtain, attribute fully: name, title, company, city. Photo, too. This makes the quote more believable than 'J.S., Illinois.'

4. Don't fake it. While effective human interest stories often have the dramatic appeal of a good novel, play or film, their real power springs from a solid basis in fact. This kind of credibility can't be fabricated, so don't try it. Aside from the ethical question, there are FTC rules governing the use of testimonials. And some marketers (such as those selling certain investment products and services) are legally prohibited by regulatory agencies from using testimonials at all. If in doubt, check with your attorney or trade association. Be sure to save original letters in case you're asked for documentation.
And obtain permission, preferably a signed release, if you use names or photos.

MORE IDEAS FROM JAY ABRAHAM

Here’s an idea that no one had ever tried until Jay did it.

"I took a prospect list and sent 5,000 copies of a hard-cover bonus book that retailed for $20, along with a note telling the recipients that we thought it’d be nice for them to receive something unexpected, since everyone was always trying to get them to try new products.

I told them why I’d selected the book - it had ideas and insight into subjects that could make or save them money and that the book mirrored my client’s views. There was no obligation to do anything, just read the book - but if they did, we were certain they would become interested in my client’s product.

And, since I was sending the book, I would also tell them about our newest promotion, offering a reduced-price chance to get it before the masses.

That single idea made my client $1,300,000.

If not a book, then a report, tickets to a show, a coupon, something usable on its own - without spending any other money.

RISK-REVERSAL, BETTER-THAN-MONEY-BACK GUARANTEES AND LONG PREVIEW PERIODS

Most companies offer customer 7, 14, or 30 days to try a purchase or own it.

I came up with 60, 90, 120, even 360 day money-back offers. I call it risk transfer.

I take the risk on my own shoulders (or my client’s shoulders) instead of leaving it on the customer’s.

Furthermore, I give that customer two or three times the needed review period to make the purchase non-threatening and non-intimidating.

Finally, I throw in a bonus worth almost or more than the cash purchase price I’m trying to get.

And the customer keeps the bonus even if he or she asks for their money back; thus, a better-than-risk-free proposition.

In many cases, it has tripled up-front response and increased returns by a negligible amount."

The following facts come from Direct Mail Briefs.

1. TEASERS: Without telling the whole story, pique the reader’s curiosity. A technique being used by lots of mailers is to have the beginning of the sales letter on the outside envelope, which forces
the prospect to open the envelope in order to finish the story.

2. TARGETING: If appropriate, target your audience on the envelope (e.g. if the package is a proposition for Insurance Salesmen, address them on the outside envelope).

3. FREE GIFT: If there's a premium or giveaway in your offer, tell your prospect about it on the envelope.

4. THE OFFICIAL LOOK: If the envelope looks like it's from the government or an important corporation, it has a better chance of being opened. Boardroom Books has used this kind of envelope successfully for two titles, Book Of Inside Information and How To Beat The IRS - samples of those mailing pieces are available on request.

5. UNDERSTATEMENT: An effective technique is to make the envelope plain and the texture rich enough so that it won't be recognized as advertising. Bare envelopes, with nothing more than a return address and prospect's address, work best when the mailer has a name that gets immediate attention. If you are unsure of the impact of your name (i.e., you don't know how recognizable it is or how favorably it will be viewed), a bare envelope with only the prospect's name and address may be more effective.

6. PERSONALIZATION: This is really the opposite of #4, but if you're not going the 'official/corporate' route, the other extreme is also effective - that is, give the envelope the appearance of being sent from one person to another. Best: Personally addressed envelope (typed or ink-jet printed on the outside), rather than a window envelope (which usually has a card with a label showing through the window). Also: Avoid using P.O. box for the return address; it detracts from the 'personal touch.'

7. LONG COPY: General rule for any outside envelope is to make sure what you promise on the outside is backed up on the inside. As a rule, overprinted envelopes pull better than bare or understated envelopes.

TESTIMONIALS MEAN RESPONSE

So why do so many mail marketers fail to keep, file and use these little response-building gems? When used correctly, testimonials boost response - sometimes dramatically. They help build the prospect's perception of believability, stability, honesty, and value. Galen Stilson, direct response copywriter and publisher of Mail Order Connection, offers these tips on how to get and use response-building testimonials:

UNSOLICITED TYPE: Many times, testimonials will arrive without you asking for them. The key here is to immediately get permission to use these in upcoming promotions and then file them for easy reference and future use. You should develop a standardized system for following up on the receipt of customer comments. You thank them, and you ask for permission to use their positive comments with attribution (name and address) in your future national advertising. Important: If you haven’t received a written O.K. to
print the testimonial with attribution, the only identification you can use is initials. And initials aren't nearly as effective as full identification.

SOLICITED TYPE: You can ask for testimonials in a number of ways. You can ask directly through a letter, you can use evaluation forms sent separately or included with your product shipment, or you can use the phone. Important: Be tactful. Don't say, 'Please send me a testimonial.' Instead, ask for comments, both pro and con. (The negative comments can be as revealing as the positive ones. Save them for yourself and your copywriter. They help identify problems and objections which can be corrected or overcome in future promotions.)

GETTING SPECIFIC, TARGETED TESTIMONIALS: Testimonials are no different than ad copy - the more specific they are, the more potent (especially when these specifics back up your benefits claims). Most testimonials are very general (e.g., 'It's great,' 'It's wonderful,' etc.) - and while these comments may make you feel good, they are not as useful as specific, targeted testimonials. Reason: They lose impact because they begin sounding unbelievable. However, through editing and subtle suggestion, you can increase a testimonial's impact and specificity without changing the meaning.

For example, testimonials with various references to the product should be edited to fit the list you are mailing to and/or the space you have available. Also, testimonials can be molded to what you need them for through subtle suggestion.

For example, in your letter or evaluation form, ask for comments about your product (or service) in the specific areas you would most like to have your testimonials cover. Even when you receive the 'it's the greatest thing since sex' type of testimonial, don't simply chuckle and file it. Instead, rewrite the testimonial according to the way you'd like it to read. Then mail your version to the customer and ask if it accurately reflects his/her opinion, and if so, may you have permission to use it with attribution.

MAINTAINING TESTIMONIALS: Instead of filing all of the letters you receive under one category titled 'Testimonials,' file by potential use. Possible categories: 'Benefit' (what customer like about product); 'Name value' (is testimonial from a recognizable person or company); 'Customer type' (male/female, job titles, etc.); 'Product type' (what they bought and liked); 'Geographic location.' Each testimonial category should have a code and each testimonial a number (the same testimonial may, and should, fall into many categories).

USING TESTIMONIALS EFFECTIVELY: Testimonials can be used in direct-mail packages or ads in many ways. They can be used for headlines, headline lead-ins, in the sales letter to give immediate proof of a benefit claim, on the order form to reaffirm value at the point of decision-making, grouped together under a 'see what other sharp people are saying' insert or section, as envelope teasers or as a buck slip/lift-letter insert. Testimonials represent one of the most versatile copywriting tools at your disposal. To be most effective, they need to include attribution and be believably specific. Ideally, they should not all praise the same aspect of your product or company - diversity will add to their potency.

THREE FINAL NOTES: First, the best customers to approach are your repeat buyers. You know they are satisfied. Second, spend time refining your request so that it 'sounds right.' You are asking for help, not demanding it. And third, include a postage-paid response device (a business-reply envelope or self-addressed stamped envelope) with every request.
It's always nice to be in a business where you get your money up front. Here are "Ten Techniques To Get Your Money Up-Front," by Luther Brock, Ph. D., from Direct Marketing Magazine.

"Even though your customers love your products, that's not enough to keep you in love with direct mail as a selling medium. In today's world, it pays to get payment-with-order whenever possible.

1. Give a gift for paying with order. Just make sure the gift is desirable enough to make folks rush for their checkbooks. Important: Cost out the premium as compared with the benefits of getting your money fast. In most cases, you'll discover you can offer a very enticing gift and still come out way ahead.

2. Offer credit cards. You may not get all your money this way due to the charge you have to pay to the credit card companies. But it may be better to get 'almost all' than worry about collections. And you'll get more orders - if people know they can charge it, they're more apt to buy.

3. Use 'even' prices and encourage the customer to send cash. Strategy: 'Just stick a $20 bill in the enclosed Safety Protection Envelope, then tuck it in the postage-free reply envelope and mail today.' Risk: Cash can be lost or stolen so this ploy is daring. Advantages: Ease of ordering - no check to write out, no money-order to buy, great for impulse buying. Especially good for selling to older people. Use of 'even' prices may be less deceptive - 'odd' prices don't fool people the way they used to. (Editor's note: Even if you don't ask for a $20 bill, a $20 or $15 price may be more desirable than a $19.95 or $14.95 price. 'Even' prices should at least be tested.)

4. Tie up-front paying to your guarantee. Strategy: 'We'll hold your check for 31 days. If you're not completely satisfied, write to us and we'll send your actual uncashed check back to you.'

5. Offer to pay shipping when customer pays up-front. Especially effective when product is bulky and shipping is significant. Also, works better with consumers than in business markets.

6. Sending C.O.D. Although there are collection and receipt problems, this can still be effective when selling to the lower end of the market. Shouldn't be completely overlooked.

7. Push an 800 toll-free number. By accepting all credit cards and stressing free phone-in ordering, you get many more cash orders. Warning: You'd better have expert order-takers or this system will fall on its face.

8. Ask for up-front payment on the initial order when selling to businesses. This will give you time to check the buyer's credit history before establishing a line of credit. But let the business know that you will extend credit in the future as long as they pay the
first order with cash up-front. Most businesses appreciate this practice and will go along with it.

9. Emphasize that cash up-front keeps the cost to the customer low. Strategy: 'As a business person you know that collections can pose quite a problem to any firm. In fact, a recent study showed we can actually price our products $X cheaper by getting rid of collection problems.'

10. Link cash-with-order to a limited time special offer. Strategy: 'Because the price is so low, we're asking for your check with your order. Please hurry. If we run out when we receive your check, we'll return the check immediately, of course.'

The Hotletter offers this advice on coupons from James Kobs and Glenn Peters.

"* Don't camouflage the coupon. It may sound simple, but if you're going to do a coupon - do a coupon. Hiding the coupon may be aesthetically pleasing, but it's bad marketing. Your coupon should say, 'Here I am. Mail me!' Helpful: Put a bold dotted line around the coupon. Also, if the rest of the ad uses a tint behind it, drop the tint out of the coupon. Bottom line: Make the coupon stand out.

* Put the return address and toll-free number inside the coupon. Assume that your prospect is going to tear out the coupon and mail it later. If he/she doesn't know where to send it or whom to call, you've lost a response.

* Repeat the offer and major benefit inside the coupon. Don't say, 'Send me more information.' Say, 'Send me more information on how the Widget can solve all my cooking problems.' Another good idea is to have a 'hard' and 'soft' offer option. Have one box that says, 'Give me more information on how the Widget can solve all my cooking problems, and please have a representative call.' Another box would say 'I still have a few questions. Please send me more information.' This technique will qualify the leads a little more than using only one option and it can boost total response. Other ideas: Statement of a money-back guarantee; statement of 'no obligation for free information;' a picture in or near the coupon of your information kit or catalog to give the offer more substance.

* Tell the prospect whom to make the check out to inside the coupon. When you've gotten to the point where your prospect has his/her checkbook out, don't let that order slip away! Make it as easy as possible for the prospect to pay - don't hide whom is supposed to get the money.

* Give your coupon a name. Are you soliciting book club memberships? Call your coupon a membership application. Are you offering free information? Call it an Information request. Give your coupon some extra value - after all, it is the most important element of your ad. And no matter what you call it, put a dotted line around it.
• Give your prospect enough space to write in name and address. This also sounds simple, but it's amazing how many coupons you can find that are virtually impossible to fill in. Also important: Make the coupons easy to understand. If you have a lot of information to put inside, make the coupon bigger. Bottom line: Coupons are response devices - make it as easy as possible for the prospect to read it, understand it and respond with it."

Here is another tip from The Hotletter.

"* Begin with the strongest point or the best promise, Fire the 'big gun' first.

* Use an opening that promises the reader a benefit.

* Ask a question that gets the reader to agree with the points in your letter.

* Keep the opening paragraph short. Alternate long and short paragraphs. NO paragraph should be longer than seven lines.

* After writing the first paragraph, ask yourself: 'Is that what I'd say after the handshake if I were calling in person?'

* Keep the tone personal, low-pressured, friendly, sincere, informal. Write the way people talk.

* Address the reader as an individual. Fill the letter with 'you' references. Pretend you are the recipient and 'write to yourself.'

* Don't annoy the reader - and lose him - by telling him obvious things about his own business. And never talk down to your audience; better yet, 'talk up' to them.

* Get news into the message and get to the point quickly.

* Use an occasional handwritten note in the margin (or underline).

* Single-space the copy. Skip an extra space between paragraphs.

* To carry a reader through the entire letter, use conjunctions liberally. They work particularly well at the opening of sentences and paragraphs.

* Use a Post Scrip - everybody reads a P.S.

* Ask for the order - don't just hint. Tell your audience what you want them to do. Make and offer (and make it clear) and give the benefits of doing it now."
Again, by offering the better-than-risk-free guarantee and allowing the customer to keep a valuable product or service even if they ask for a refund, you convey your confidence in your product's ability to perform to their satisfaction.

It's obvious that if you had to pay off often, you'd lose your shirt. The better-than-risk-free guarantee implies that your offer lives up to its promise.

By offering to reward the customers for their effort or trouble, the better-than-risk-free guarantee acknowledges their value to you.

**EIGHT LETTERS THAT INCREASE PROFITS LIKE CRAZY**

**Letter #1: A personalized letter to established customers**

I'm Writing to Alert You to an Opportunity We're Only Making Available to Our Best Customers...

Ms. Jane H. Customer  
1209 Arlington Avenue  
Anytown, USA 00000

Dear Ms. Customer,

About once a year, we get the opportunity to purchase some very special ___. There aren't enough of them made that we can stock them in the store, because too many people would want one and we'd sell out too quickly. Therefore, we've started a policy of picking out our most special and preferred customers and alerting them in advance to the fact that we're buying these ___, and that we're only going to have (number) available, and offering them the chance to reserve or buy one or two or (number) of these before they even come in. That assures them to be able to receive at least one of these before our supplies are exhausted.

The last time we got in 50 of these ___, we sold them out in the first few days. You weren't able to take advantage, and I know you were disappointed. This time I want to give you first shot.

Here's a description of the ___ and a few of the reasons I think it's so special (describe and explain product or service here).

I'm holding one of these in your name for the next three days. Call me to confirm that you want it. You can give me your charge card number, or you can come in and give us a check, or you can mail us a check, whichever you prefer. The moment it arrives, we'll call you, and you can either come in or we'll have it sent out to you.

Then, if for any reason you don't like it, we'll be glad to take it back, because we know we'll sell it out. I just know you'll love your ___ once it arrives, and you would hit yourself if I didn't make it available this time, since you missed out last time. If you'd like to be one of the (number) people who gets one of these ___ when they come in, contact me right away.

Sincerely,

Name

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Letter #2: To sell people a larger quantity of something than they normally would buy

I'm Writing to Offer You an Opportunity to
Save $___ (or __%) On ___

Ms. Jane H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Ms. Customer:

We know you are interested in ___. You're one of our very best customers and probably buy more ___ than anybody else who patronizes us. For that reason, we decided to offer you a very special purchase opportunity. We just realized we could afford to make you an extraordinarily generous price on a larger quantity of ___ than you normally buy. Given the fact that you seem to buy often from us, we thought that you probably would just as soon buy a two or three month's supply, rather than just one, particularly if we can save you a lot of money on it. So we've put together a special 'package' just for you. It's (number) of ___, enough to last you three full months. And we'll sell it to you for just (dollars). That's a (dollar) savings over what you'd probably pay if you bought it the way you normally do. We're not going to make as much profit, but we're going to make you a wonderful value, and we hope that because of it, you'll come back more often, and you'll buy more things, and you'll refer more people to us.

In the long run, we all benefit, and that's fair and equitable. If you'd like to take advantage of this offer, pick up the phone and call me personally, or call one of our salespeople and tell them. They'll be only too happy to provide you with delivery or hold it at the store for you to pick up at our offices. By the way, any purchase you make is fully guaranteed, just like when you buy a one-month supply. So you're risking nothing. You're just saving a lot.

It's our way of thanking you for all the past business you've given us and to show you that we really appreciate you. Thank you very much for your past, present, and future business.

Warmly,
Name, Title
Phone Number

Letter #3: For a customer list that's never before been mailed

I'm Writing to Alert You to an Opportunity
I've Never Shared With My Customers Before...

Mr. John H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Mr. Customer:

We got to thinking a few days ago about how valuable our customers really are to us, and
we realized we'd never before expressed our appreciation or tried in any way to show you how valuable we find you to be. I want to do something about that. Something that would really make you see how much I appreciate your past business, and would encourage you to do business with us over and over again in the future.

How could we persuade you? What could we possibly do to induce you to really love doing business with us? The answer, actually, was painfully obvious. A staff member suggested, 'Why don't we make them an offer that's better-priced and more advantageous than any offer we've ever made to our outside customers?'

Why would we make such an offer to you? The answer is equally simple. You're worth more to us. You've got the capacity to buy more frequently, and buy more of our product (or use our service more) and we'd like to reward you for it. So, for the next seven working day, we're going to allow you to purchase all the (or up to $ worth of ) you want for 30% less than anyone else in the store can buy it for. Stated differently, every time you spend $100, you're going to get $130 worth of value. Are there any catches to this proposition? Only one. I think you'll agree it's quite reasonable. We ask that you be discreet. Walk up to the salesperson and quietly mention this letter, and mention that you want to take advantage of the 30% savings because you're a priority client. Since it's an offer we're only making to certain select people, we would not want to embarrass, offend, or hurt any of our other customers who may be browsing in the store. But as long as you're willing to respect this request, you can come into our store, or if you prefer you can call and have it charged to your credit card and we'll sell you up to for 30% less than anyone else can pay for it today.

We hope that by making you a generous proposition, you will appreciate the value and importance we place on you and your business. In order to take advantage of this preferential offer, just come in or call us before (date, or seven days) and mention this letter. Do, however, be discreet about it. We appreciate your business. We hope that you realize how true that statement is. Thank you for the past, thank you for the present, thank you for the future business.

Warmly,
Business Owner

Letter #4: This letter is to pre-sell something that's not stockable, but that could be lucrative for the store

I'm Writing to Alert You to a Buying Opportunity Not One In a Thousand of Our Customers Can Take Advantage of...

Mr. John H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Mr. Customer:

We know you have a strong interest or enthusiasm in the area. How do we know that? Because you're one of our better customers, and you seem to buy the best specimens of that we have ever stocked.

Recently our buyer uncovered a source of unbelievably high quality in New York
that, frankly, exceeds the quality and construction limits of anything we’ve ever stocked or sold in the store before. They’re not cheap. But then again, the best of anything rarely is. They’re made to sell for $____, and at that price they’re probably a steal given their construction, their beauty, and their performance characteristics (or capabilities).

However, because you are one of our very best customers, we wanted to both inform and reward you at the same time. So we decided to write this letter and tell you about the ____ and also tell you about a problem we have and turn that into a buying opportunity for you.

The problem: The ____ we’re in love with are too expensive to be stocked in the store. They’re only going to appeal to the most discriminating and purist amongst all of our ____ oriented customers. Like you!

It doesn’t justify buying three or four of these and stocking them. Parenthetically, all we could buy if we wanted to is a handful of them, because they’re made in such small quantities and they’re so expensive to manufacture. We decided that if we could get you to advance order one or more of these, we’d allow you the opportunity to buy them for a very advantageous price, far below their suggested retail price.

How much are we talking about? Would you believe a savings of ____%? That’s the reduction we’re willing to give you. That amounts to $____ off the suggested retail price. Admittedly, we’re not planning on making much of any profit on the item. But we thought it was such a spectacular product that it would be grievous not to alert you to it. But it was too specialized for us to stock. So if you’d like to own one of these as your own, you can buy it today, not for the $____ it was intended to sell for, but for only $____, which is a ____% savings.

Is there a catch? Only one, and it’s quite reasonable. To buy it at this profound discount, you’ve got to agree to pay us a deposit of $____, and when the product comes in, pay the rest in about three weeks. Otherwise, the only way you’ll probably be able to buy it is if you’re in New York at one of the more expensive stores that stocks them -- of which there are only two that we know of. But then, you’d have to pay the $____ instead of the $$ ____ we’re willing to sell it to you for today.

In other words, we want to reward you for being our favorite customer by giving you almost a 40% discount on a product that is probably the most spectacular specimen of its kind in the country, and one we know you’ll treasure owning because it will perform so well (or look so beautiful -- modify this to the product you’re selling). We’re certain we can only get a handful of these ____ this year, so we must limit you to a maximum of (one or two, you decide based on availability) and we must get your order request in person or by telephone (we can charge it to your charge card or bill your company) immediately, if we’re to order one of these for you.

In a month or so, you’ll probably kick yourself if you don’t take advantage of this offer, particularly if you see any of your friends or associates, or colleagues using one (or wearing one, whatever the appropriate application is).

In order to reserve one of these ____ for yourself, call me personally at (phone number) between 9 a.m. and 4 p.m. weekdays, and tell me the size and the style you want. For your benefit, I’ve included a descriptive catalogue sheet on the product in with this letter, and a few of the rave reviews that have been lavished upon it. I appreciate your past business. We look forward to having you be a client in the future. Thank you.
Warmly,
The Owner
Telephone Number

Letter #5: For retail businesses

Mr. John H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Mr. Customer,

I'm writing to let you know about a new service we're offering only to our preferred customers. It's a service designed to give you, the people who favor us with a larger amount of business, an advantage in accessing the products or services you're most interested in.

Simply put, we typically carry a large selection of exclusive widgets. These widgets often are a bit more exotic (or more quality-constructed or special handmade items or are the highest-performing widgets carried anywhere), but because of our inventory capacity, we can only order very small quantities. Consequently, within a few days of receiving them, our supply is usually depleted.

We know from experience that you enjoy, prefer, and appreciate these kinds of items, so we are going to start, unless you tell us otherwise, to call or write to notify you before putting these items out in the store.

Whenever we are approached with a new item, or whenever we send our buyer to New York, we're going to contact you first - ahead of time - to give you the first opportunity to take advantage of these widgets -- not only ahead of everybody else, but at a preferred price as well.

Lest you think we're crazy, there is a method to our madness: 1) We'll turn our inventory faster; 2) We'll make you a lot happier because you'll be able to buy more of what you really love -- hopefully, you'll buy more often so we'll make more cumulative profit; and 3) We'll have the satisfaction of knowing we're offering our very best merchandise and price to the customers that have been faithful and loyal and enormously generous in their patronage.

Unless we hear from you otherwise, we'll simply notify you in advance and give you the first opportunity to be one of a handful of people that can own these items.

Sincerely,
Owner
Company

Letter #6: For customers who purchased in the past, but not recently

Mr. John H. Customer
1209 Arlington Avenue Anytown, USA 00000
Dear Mr. Customer,

We are so pleased that you favored us with your business two weeks ago (a year ago, etc.), but you haven't been back since then and we're a little perplexed, mystified, and, frankly, confused. Maybe you didn't realize that we're not just a source you turn to in a catastrophe. We keep 8,700 different widgets in stock at all times in 47 separate colors and styles.

And, our average selling price is 25% below the market. How can we sell at such low prices? Two reasons really: We buy ten times the volume most widget suppliers do and we have a lot of items manufactured to our own specs.

The point of this letter is that we haven't heard from you in a great while. I'm inclined to bet it's because you didn't realize the scope, flexibility, and the size of our operation. You may not have realized also that you don't have to buy in the quantity you did before to get great prices and same-day shipping.

We've got five warehouses around the country, so we can fly in a purchase as small as $10 or $20. Of course, there's never a surcharge when it's shipped out to you immediately. We'll even offer to put it on open account for you.

I recommend that if you continually need, use, or replace widgets, you should absolutely call us the next time you need to purchase, because we've probably got a better price and a better product.

In fact, to shamelessly bribe you into repatronizing us, I'm going to make you an offer that's irresistible. If you need widgets within the next seven days, we'll sell you four gross of our best #87XX widget -- normally $87 a keg -- for only $64. Plus, we'll throw in financing interest-free for 90 days. If, after receiving them, they're not superior to the ones you have been using, send back your unused amount and we'll refund all your money. We can't be any fairer than that.

Quite frankly, once most companies start dealing with us for all their widget purchases, they very rarely ever leave. We're out to get your business.

Sincerely,
Owner

Letter #7: For new customers

Mr. John H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Mr. Customer,

Our records indicate (or one of our sales staff told me) that you visited my store today for the first time. Because customers are so important to me, I wanted to write you personally and thank you for your first visit.

To commemorate that visit, I want to invite you to return again soon, and here's what I suggest: Bundle up all the dry cleaning that you need right now and put it in a bag (or
put it in your car) along with this letter. When you drop off your dry cleaning at the store on your very next visit, I'll personally take 50% off your regular dry cleaning bill. There's absolutely no limit on the number of garments I'll allow at this reduced price.

And, I'm not going to impose a time limit. I simply want you to experience the quality work we do, how quickly we can have your order ready for you (how well-starched the shirts are, how delicately we treat your fine sport coats, etc.), even how we perform minor repair work at no additional charge.

I know through experience that if I can get you to come back here a second time, you'll think of Majestic Dry Cleaning and Laundry whenever you need laundry or dry cleaning services.

Since there's a 90% probability you'll come back to me again and again, it's a small investment on my part to forego entirely the profit I'd normally make on your next order.

I want your business and I'm willing to invest back in you to earn it.

Sincerely,
Owner
Company
Telemarketing expert, James Cook, leads off this chapter on telemarketing.

"What kind of product or service lends itself to telemarketing? The answer has 3 parts:

1. It should be a unit with a high price.
2. There should be enough markup in it to pay the telemarketers a good commission.
3. After all expenses are taken out there should be a healthy profit left.

In other words, you aren't going to have much success telemarketing a $19.00 item. Of course, if it's one of many items (from a catalogue), that's a different story. Ideally, out of a $300 profit on a sale, 1/3 would go to the telemarketer, 1/3 would cover your costs and 1/3 would be left for you. Apply that loose formula when analyzing a product for its telemarketing potential.

It's a poor policy to telemarket to the phone book. Let's say you are selling tires. Yes, you can call all the tire dealers in the yellow pages, but you need to better qualify these prospects or at least let them know in advance you are going to call them. With a good program of lead generation your salespeople won't burn out the way they do calling high rejection names.

Your telemarketers are always going to prefer calling the good leads your company acquires for them. A good telemarketing firm does not make it too tough for the telemarketer to sell. If the closing ratio is too low the sales people leave. You want to mail all the prospective buyers an offer that stimulates their response (a reply card). You may need to give them a premium to get a response. It could be a booklet or special report that you write that gives them valuable information on their product and how to sell it. It could be a free paperback book that helps their business.

In any case those response cards should be entered on your computer list and handed out to your sales force soon after you have fulfilled the offer. You can put your promotional material and a good strong letter in with the fulfillment mailing. Once your telemarketer calls them and sells something, they go off the prospect list and onto the customer list. After a few months you can hand the prospect leads out again and have a different person call and try to convert them.

If you are going to call raw leads from a mailing list, you should not call until you've mailed them a set-up mailing advising them of your forthcoming call. This mailing should be an interesting commentary that briefly advises them you will be calling. You should mention what you will be talking to them about and ask them to give your salesperson a minute or two of their valuable time.

You should set your prospects up the same way (i.e., set-up mailing) Mail them and call them. Let a decent interval elapse. Mail them again and call them again. Persistence really pays in telemarketing.
Always have a toll free line prominently displayed on all your mailings so that the customer or prospect can call in to you for more information or to order. You can let your telemarketers handle these incoming calls rather than have house accounts. This makes for fewer hard feelings. It's also a nice perk for your sales force. If you begin to get a lot of incoming calls some of your sales people will slow down their outcalling in hopes of getting these incoming calls. If you get a blizzard of incoming calls you actually risk ruining your sales force. Consequently you must lecture them sternly about staying on the phone and outcalling. Make sure any incoming calls are handed out equitably, otherwise the sales staff becomes disgruntled.

Once you've ran an ad to hire telemarketers, screen them with a brief intelligence test. The smarter your sales force, the more persuasive they are. There are no absolute formulas for hiring good telemarketers but I've had the best luck with people 25 to 45 years of age. They should have telephone experience and if they had been a sales leader at their prior job they tend to work out best.

No matter how much screening and testing you do it's still a hit and miss process. Out of ten hires only one or two are likely to work out. Remember that. If they're not productive in sixty days, in most cases they never will be and you need to cut them fast. My company pays a salary for the first month and a higher than normal commission for three additional months. This enables them to break into this straight commission job at a workable pace and not go without income. In telemarketing you have to recruit, hire and fire almost constantly if you wish to build a highly professional sales staff.

Some telemarketing companies have two tiers of callers. The first calls the leads and finds out if they are interested. Then a 'closer,' or a more experienced sales person takes over and calls them back. Each type of product may have a slightly different approach.

In the investment business you can buy qualified leads from telemarketing companies for $50 to $75 each. We let our newly hired brokers perform this function. They call scores of leads and begin a relationship with a few clients. They mail them special reports and begin to take orders. If they fall or quit (and a high percentage do) we take their new clients or prospects and pass them out to the remaining broker staff to follow up. The older brokers do a good percentage of their business with these pre-qualified people. In other words, we not only build our sales force but those salespeople who don't work out have at least generated a number of qualified leads before they leave us.

One of the secrets of telemarketing success is to keep everyone on the phone for the entire eight hours they work each day. Some people stay on the phone relentlessly. They are the top producers. Many others begin to sluff off when they make a certain level of commission. A good sales manager is a necessity to keep those people dialing. It's always a battle to keep everybody working.

You also need to monitor what your telemarketers say. You must make sure they do not make unsupported claims or lie to the prospect. Most companies use a script and make everyone follow it religiously. Others have a script for new employees only and let the other telemarketers employ their own selling skills. One way to make sure the sales people stick to the truth is to install a monitoring phone. The telephone company can set you up with a line that listens in to any of these conversations.

The best telemarketers establish a sound, trusting relationship with their customers. It's a friendship. Consequently, those people with extroverted, pleasant personalities do better than less confident people and introverts. You will want to train your salespeople
on how to develop skillful relationships. They should all read, 'How To Win Friends and Influence People', by Dale Carnegie.

A telephone sales team is a powerful marketing force. However, it's a delicate and complicated mechanism to make work in the most efficient manner. Follow this advice and you can make it work for you.

A telemarketing company of the type James Cook runs is entirely different than you picking up the phone and making a few sales calls in your business or having several sales people on hand. For companies that have not telemarketed much or who are not pure telemarketing companies, here's how to do it from Jay Abraham's perspective:

'When selling by telephone, you have approximately thirty seconds to convince the customer to listen to you. You need an opening statement that will capture the prospect's interest. This statement should convey who you are, what you want, and why the prospect should listen.

State your name and your company's name clearly. Then state the reason you're calling. Tell the prospect how you obtained their name. State an important benefit of your product and mention a feature that backs up that benefit. Ask for the prospect's time; then ask preliminary probing questions to help you qualify the prospect. By incorporating these elements into your opening statement in a creative manner, you can persuade the customer to listen to your presentation.

**ASKING QUESTIONS IN TELEPHONE SELLING**

Learn to ask questions as you talk to prospects. It's the best way to sell. Keep the following nine points in mind as you refine your telephone skills:

1. Develop a plan. Before placing a call, be aware of exactly what it is you want to learn before the call is over.

2. Prepare a list of topics to cover. Have a specific question under each topic.

3. Ask permission. It's common courtesy to ask the customer's permission to ask questions.

4. Time questions properly. Avoid making your presentation sound like an interrogation.

5. Begin with broad questions that relax the prospect and 'get the ball rolling.' Then your questions can become more specific as the prospect reveals certain needs and concerns.

6. Build upon previous answers. Your feedback shows the prospect that you're listening.

7. Balance the number and type of questions. Though asking too few questions isn't a good practice, too many questions can make the prospect impatient for you to 'get to the point.'
8. Don’t ask manipulative questions (e.g., ‘of course you would like to save 60% on your materials’ costs, wouldn’t you?’). They insult the prospect’s intelligence.


SEVERAL TELEMARKETING TECHNIQUES

Call under the auspices of service to your customers. After somebody buys something or a service is rendered, call to be sure everything went right: ‘And by the way, Mr. Schmidlapper, because you’re a new customer, you’re entitled to add 25-gauge piping that we’ll install.’

Use a sales letter to invite people to call you. Make them a great offer through the mail. When they call in you’re getting a tailor-made opportunity to sell them.

A call to current customers can be equally successful. When you serve their needs, show an interest and give information you have a good chance of getting another order. ‘Mr. Schmidlapper, the boss just wanted me to call. You haven’t bought for a long time and he doesn’t know if you’re unhappy with us or if you found something else, or if your needs might have changed. We’ve come out with a brand new widget. We have a limited supply, but because you’ve been a good customer, he wanted me to call and extend to you an offer that you may like.’

TELEMARKETING DON’TS

* Don’t call and immediately go into your sales pitch; ask if this is a convenient time to call.

* Don’t presume an intimacy; don’t give the person you are talking to a name you think he should have. (If his name is ‘John’, don’t call him ‘Johnny’).

* Don’t try something tricky on the phone -- like saying you’re returning his call.

HOW TO USE THE TELEPHONE

1. Use your phone to connect with people who have already expressed an interest in what you’re selling. They should have taken the initiative to get in touch with you, either by returning some type of coupon or card or by telephoning you. In some way, they should be qualified as prospects. Your job is to follow up this interest and give them the solution they want (which just happens to be what you are selling).

2. Use the telephone to follow up mailings to selected prospects. Follow up by telephone to make appointments or sales.
3. Use your telephone to call people who know nothing about you and have not indicated an interest in you or your problem solving service. This is the most difficult kind of telemarketing.

WHEN THE PROSPECT CALLS YOU

After you stimulate enough interest to have a prospect call you, follow these guidelines.

1. Be an interested and knowledgeable person.

2. Communicate to the prospect that you understand their needs and problems.

3. Let them know you have solutions for them.

4. Create a mutually convenient appointment time (in person or by phone).

HOW TO RESPOND TO A WRITTEN EXPRESSION OF INTEREST FROM YOUR PROSPECT

When you send out direct mail with response devices people are going to write you to let you know they have an interest in your product. They may also let you know their problems, needs and objectives. Be prepared when you call them.

Review the response device they have returned and learn their objectives. Be ready to sell them a specific product or service and be ready to answer any question they have about this product. Make sure the product or service fits them best and not your commission needs. Preparation will insure that you come across as a problem-solver or benefit-provider and not just a peddler.

When you call them, the phone conversation should go something like this:

'Hello, is Carol Jones in, please?'

'Yes, this is Carol.'

'Carol, this is Joe White, with Kingdom Carpeting. I'm calling you because I can help you find, order, and install new carpets. You remember you indicated to me that you were interested in doing this. Am I calling at a good time to discuss how I can?'

'Yes, Joe. Thanks for calling. Now is a good time to talk.'

'Can you tell me a little bit about what you're looking for, Carol? Then I can be sure I understand your situation.'

'I'm an interior designer. I'm interested in buying several different types of carpeting for the homes I'm working on.'

'I know I can help you find the carpeting you need. At this juncture it would be most
helpful if we could explore your objectives and your business situation in more depth. Would you be amenable to that?"

'I'm not sure, Joe. What do you mean?'

'It would be helpful to both of us to arrange a mutually convenient time when we could sit down uninterrupted without any cost or obligation to you, and explore in greater detail your objectives and needs, and then determine how I can specifically help you to achieve them. How does your schedule look for next week?'

'Tuesday is a possibility, Joe. How much time would you need?'

'Approximately 1 1/2 hours. How about Tuesday morning at 8:30 at my office? It's located at 100 South Main Street, downtown.'

'Next Tuesday at 8:30 a.m. at your place of business would be fine.'

Let's look at what is going on!

* Carol wrote in with her objectives, to tell me what she needs for her business.

* The caller established himself as someone who is genuinely interested in her problems and her objectives.

* His purpose was to get an appointment when they can mutually discuss her carpet needs. To do that she has to feel that it will benefit her. You don't sell her an appointment. You tell her what's in it for her to arrange an appointment and she will agree to meet with you.

TELEPHONE TIPS FOR FOLLOWING UP ON LEADS

1. Follow up on leads promptly. Your goal should be to call them up the same day you receive them. Here's why...the day they write or call you is the day they have the most enthusiasm. From that point on it dwindles daily until they don't remember responding. Prompt follow-up is essential!

2. When you call tell them you're calling to help solve their needs. Your prospect only cares about achieving their objectives. The reason for your call is to help them achieve what they want.

3. Once a prospect indicates an objective or a problem they will move toward solving it. But it may not be with you. If you don't solve the problem or help them to their objective, someone else will.
MARKETING HELP FROM YOUR VENDORS

Chapter 13

Here's another of Jay's breakthrough concepts.

"If you or I were to walk into the nearest advertising agency or direct mail list broker's office and hire them, they would be more than happy to help us - as long as we paid our bills.

'No problem there,' you say, 'I'll gladly pay vendors who can help me make money.' Right?

O.K. But did you know that you're not going to get the maximum effort and results from most of these vendors? That's right. They're not going to give you their all. They're going to give you what you pay for, nothing more, and hopefully nothing less.

Why aren't they going to give you their all? Two reasons: Number one, you're just another client to them - someone who will give them money so they can meet their overhead and maintain their lifestyle. You're just one of many clients, and you will probably leave them for another vendor someday or give them more headaches than you're worth.

These vendors (if they're like most people) often think they're worth more than they charge. In the back of their minds, they think they should be earning a lot more money for the service they give you - especially if what they do makes you a lot of money.

In other words, you aren't getting as much as you could from your vendors. You may get 75%, sometimes only 50%, but never 100%. That's the way of the world. Most people don't like to work, and they will do as little as they can to get by. If they're only being paid a fee, chances are they will do just enough to justify their fee, but no more than they have to.

The surest way to overcome this problem is to forget about paying your vendors their regular charges and instead offer them a chance to make really big money by being compensated on a variable basis. Pay them in direct proportion to the results they achieve for you. And when I say paid, I mean PAID! Big, generous payments. The kind that will make their mouth water and get them to bust their tails to give you the extraordinary results you desire.

You can't do it without them because you don't know as much about their field. You don't know all their valuable contacts and sources of information. For you to match their expertise would take years. It would take you away from your own business and what you do best. It would also cost you a hundred times more than you would otherwise pay the vendor, even on a variable where he gets paid lavishly.

A WORD OF CAUTION

If you use this concept properly, you will end up paying more money for your vendors' services than you would on the traditional fee structure. In fact, your accountants will
think you're crazy for paying people such generous variables when you could get the 'same thing' for a paltry fee.

But you want to get the best possible effort and results from the vendors you deal with, and the best way to do that is to reward them lavishly, based on the results they produce for you. Instead of a way to cut costs, this is a way to pay 'through the nose' for superior results. Because while the vendor is being paid lavishly, you are experiencing success in greater degrees than you could have otherwise.

You must approach this concept with that attitude, otherwise it won't work. Your vendors will think you're trying to get something for nothing, and they won't go along with you. You must convince them that you're going to pay them extremely well if they'll take a chance on you.

THE FUNDAMENTALS OF VARIABLE INCENTIVES

The basic idea behind incentives is simple: If the work you do for me is successful, I'll reward you far beyond your normal compensation.

I call this an 'ethical gauntlet.' You put it before your vendors in an honorable and generous manner. It's a bit of a challenge, but it really doesn't involve a lot of undue risk for either party. If your product is viable in the market and you can prove this to your vendors, and the vendors are confident of their ability to be successful with your product, then there is no real risk.

The only risk you take is on the vendors' ability, and the only risk they take is foregoing their normal fee and 'gambling' that their expertise will allow them to get rich from the results they know they can produce.

Deal only with vendors you know to be true experts and worthy of your trust. I recommend approaching the vendors you're already doing business with, you trust them and they trust you.

What you are doing is investing in each other. The vendors are investing in your potential success, and you're investing in their expertise. In essence, you are selling them on your future - a future they will have a hand in building.

With their compensation tied to their efforts the greater the success, the greater their reward. Certainly an exciting proposition for any competent vendor.

There are two basic, yet crucial, criteria for structuring a workable incentive plan:

1. It must be generous.

2. It must be identifiable.

It's important you offer more than a small bonus as inducement. There is no incentive if the rewards are not perceived as generous. You want people's mouths to water and their eyes to widen when they hear how much you're willing to pay them. You want them to be excited, not just 'interested.' Enthusiasm, dedication, and fanaticism are the necessary conditions for getting the most out of your vendor, and you cannot produce those emotions with anything less than an extremely generous incentive.
However, let me point out that this lavish compensation will not come out of your own pocket in the usual sense. It will come out of the money you earn from the superior results the vendor produces for you. After all, everything will be tied to performance and profits - an area you don’t mind sharing because it will be above and beyond what you could achieve without the vendor’s help.

What do you care if you pay 35% of your net to vendors who normally get 10% if the extra incentive induced them to help expand your business by 200%? Without the superior performance of your vendors, you might spend a fortune and years of effort trying to reach the same goal.

Here’s the second criteria: The performance-to-results relationship must be clearly identifiable, measurable and consistent. The incentives provided must be tied explicitly to results. For instance, the number of leads generated, sales closed, conversions consummated, amount of cash received on the front end or volume of phone calls. Don’t make it vague. Make it specific and measurable so the vendors can see the results of their efforts and really sink their teeth into your campaign.

Vendors who are at the top of their craft, whether they’re list brokers, copywriters, ad agency presidents, media buyers, or whatever - can make the crucial difference in how fast you obtain the success you’re looking for. By making these vendors partners in your success, they have a real incentive to pull out all the stops and take you to the top.

**THE BACK-END**

You’re probably asking, ‘How does he expect me to pay all these vendors so lavishly when I barely make a profit now?’

Good question. You can only use this concept if you have a profitable back-end to your business (reselling, cross-selling, up-selling or host-parasite marketing methods for selling a customer or prospect more than once, either the same product or a new product). If you follow what I’ve taught you, you should have a back-end in operation or you’re making the biggest marketing mistake of all time!

For the purposes of this Chapter, I will assume that you do have a back-end. If you don’t, please do yourself a favor and get one going as soon as possible. Don’t go another day without working on this crucial aspect of your business.

You see, the key to paying lavish rewards to your vendors is that, with a profitable back-end, you can afford to lose money if necessary on the front-end because your biggest goal is to get a ton of long-term customers whom you can market to indefinitely. Your back-end profits are the leverage you use to cover the expenses of the front-end, and in this case your front-end will be more expensive than normal because you’re going to be getting better results than normal. If you want to achieve success at warp speed, you have to pay the price. But with a good back-end, you can afford to pay a high price on the front-end.

It’s sad how people don’t take full advantage of everything a vendor has to offer. Take, for example, direct mail list brokers. Most people go to them, ask for a list which they think is right for them, pay the fee, and wander off to take their chances. Yet these list-brokers have been watching people come and go for years. If they’re any good, they know which lists are working and which aren’t. They know who these lists are working for and
they know what sort of promotion was used to make the list such a success. They may
even know the creative team who put the package together. After years of being in the
business they're friends with a good printer. They know where the best work is done for
the least money.

They've seen failures, too - maybe the same sorts of failure over and over again. Many
newcomers to direct mail make the same mistakes. Wouldn't you appreciate a push in
the right direction and a warning not to try a 'brilliant' idea that has sent twenty other
marketers to the cleaners over the years?

The veteran list-brokers could tell you about it. If you offered a generous reward for their
input, they'd fall all over themselves giving you a complete history of every successful
mailing they were ever involved with.

Perhaps they know of a small list - too small for them to make a decent commission -
that would be perfect for your mailing. On a fee basis they have little or no incentive to
recommend it to you.

HOW TO GET YOUR VENDORS TO FINANCE YOU!

Imagine these list-brokers' reaction if you promised them 100% of the front-end for any
mailing they did for you. If you convinced them you had a viable, successful product that
would sell like hot cakes, you might even induce them to take on part of all of the initial
financial risk!

For example, if they know that a product like yours will pull in, say, $100,000 in front-
end sales, what do they care if it costs them $20,000 to send out your promotion? They
stand to make an enormous profit!

Most of the vendors in this industry, such as list-brokers or copywriters or ad agencies,
are very good at what they do. But all they're doing is helping entrepreneurs get rich
They don't have a product to sell like you do. They're not mass marketers, although they
deal in mass marketing. Every one of them wishes they had a product they could mass
market and profit from. They spend every day doing the same thing for other people's
products, so why not do the same thing for themselves. The answer is simple. They
don't have a product that is sure of selling. Marketable products aren't just lying around
for anyone who wants them. They're hard to come by.

So they have to be satisfied making other people wealthy!

This is where you come in. You've got the marketable product. You want to get the best
results. To do that, you need the vendors' help. Will they put their heart and soul into
your marketing campaign for a fee? It's not likely.

They give you the effort they feel like giving you which is usually not their best. In a
sense, you don't maximize the additional profits you would have made if your vendors
gave you their all. So why not offer them the variable incentive? Give them the majority
or perhaps all of your front-end profit if they'll put up the marketing money and do
everything they can to make the campaign a huge success. Chances are they'll jump at
that kind of deal. It's their dream come true! Finally, a product to market that they can
profit from! Plus, they didn't have to invest a dime in the product itself, just the
marketing costs. They have no product liability, no overhead, and essentially no risk
since the product has already been validated as a success in the marketplace!

Now it's up to them to go full throttle into your marketing campaign and muster every successful technique they know of to put your campaign in the Guinness Book of World Records. After all, it's their campaign, too! They have a lucrative interest in your success! And you? You've got your back-end to keep you happy. And the bigger the front-end, the bigger the back-end.

ADJUST THE DEAL TO YOUR CIRCUMSTANCES

You can even offer a piece of the back-end to your vendors if there isn't enough of the front-end to go around, or if it's too small to begin with. There are no rules for deals like this.

Or perhaps you won't have to offer 100% of the front-end. It's all relative to both your circumstances. You have to gauge what's an effective incentive and what are the financial risks. If the front-end profits aren't enough to cover their risk adjust the deal in their favor. You may have to finance part of the campaign. Do whatever it takes to get your vendors excited about giving you the best possible effort. That's the goal. I suggest, however, that you err on the side of generosity. Don't concentrate solely on the profit or loss on the front-end. Look ahead to the profits down the road.

You can work this deal with virtually any vendor. Different people have different expertise, and you can use different types of incentives tied to their performance. For example, copywriters are judged by the effectiveness of their copy in producing sales - ad agencies are judged by the results of their campaign for you - media buyers are judged by the quality and price-efficiency of the media they purchase for your ads.

If you apply this sort of deal wisely you could have millions of dollars worth of professionals working for you overnight - and it would cost you nothing out of pocket assuming you arrange the compensation solely on profits.

BETTER RESULTS WITH LESS RISK

Let's go back to our list-broker example. Instead of asking for recommendations on lists to rent, tell them you've got a product that sells for $X, costs $Y to produce, and has a history of being sold successfully through the mail. You're willing to spend up to 100% of the full sales amount to generate a new customer because you have a lucrative back-end that generates your real profits.

Rather than spending good money to rent lists that may not work you'd like to give 100% of the front-end to the list brokers and have them handle the whole campaign.

That means, instead of renting a list and making a $100 commission, they can now make many times that amount by doing all they can to generate a large response. They have no limitations - they can use all the small, normally unprofitable lists they know will work for your product because they no longer have an eye on your commission. They can tweak your promotion piece in all the ways they know are effective, even to the point of having it completely redone by professional writers and designers at their expense.
WHY VARIABLES WORK

What’s their motivation? They’re suddenly in the business of generating sales, instead of simply providing lists. What do they care if it costs them a few thousand dollars to rent lists or to create a winning mailing package? All the money that comes in is theirs to keep!

Tell them they can take your piece around to their competition and let them have a similar deal. They take the risk of mailing, but for every response they receive, they keep 85% of the front-end. The original brokers keep the remaining 15% and you get the customers. As your agent they are rewarded lavishly.

The more customers they generate the more money they get. As they get more money, you get more customers. Each customer may be worth $10 initially which the vendors keep - but a customer can be worth ten times that amount to you. For example, what is the total worth of a customer who comes back to you for reorders three times a year for life?

Answer: A lot! Of course you’re willing to spend the entire $10 of the front-end to get a customer worth $30 and more a year for eternity. Customers aren’t free - they all cost something to produce. But what are you paying? Nothing, really. You pay for the production of the product. The $10 your vendor keeps comes from the additional profits you would never have realized on your own.

THREE RULES OF THUMB

The idea is not to get the best of them. You are using variable compensation to enrich them. Your success means their success. They have motivation to use everything they know to help you reach your goals - things you could never do.

1. The variable compensation you use must be attainable. The vendors must believe that they can realistically reach explicit goals along the way, and be rewarded in an exact manner (so much per lead or sale, or a percentage of the total front-end or even a percentage of your back-end if necessary).

2. It must be generous. If every 10 people your list-broker brings you contains five customers for life, you should be delighted to break even up front. You’ll make a fortune down the road. So don’t begrudge a generous ‘finder’s fee’.

3. Offer an environment of ‘exclusivity.’ Let the vendors feel they have a franchised right to the compensation. If it takes a written contract, do that.

BRINGING VARIABLE COMPENSATION INTO SHARPER FOCUS

You can’t be too rigid in structuring a variable compensation plan.

PLAN A. Let’s say you know from experience that it takes $5 to bring in a customer, and that customer is worth $10 to you on the back-end. Your production and profit goals call
for producing 1,000 customers each month. So, you have $5,000 to play with - your 'budget' for generating customers.

Now, why not find the best vendor you can, either an ad agency or a consultant or even a good list-broker - and just give them the $5,000? You tell them that they may use the money however they please so long as you receive your 1,000 new customers a month.

If they can get those 1,000 new customers for $500, they make a profit of $4,500. And you won't begrudge them the windfall because once they have cracked the code for generating customers you can expand your prospecting by leaps and bounds. The experts will be running your customer prospecting plan with everything they have to offer.

PLAN B. You can also work it without a budget. In Plan A, you are defraying your budget costs with whatever you're making on the front-end. In some cases, that may leave you with a profit.

If, however, your front-end simply covers your lead generation costs, why not shift the risk to the vendors whose job it is to bring you leads? If they know ways to generate more names than you're getting on your own or on a fee basis, they would have the incentive to take on a variable, since their compensation was dependent on how productive they were.

Let's say that your front-end sale is $5 - and you know you can convert a substantial number of those sales to a much more profitable back-end, where you can make $10 or more. Tell your vendors that they can keep 100% of that $5 front-end for every name they generate. All you want is the name, so you can work the back-end.

That $5 per name may represent an enormous jump in the usual profit structure your vendors are used to. But to get it, you are asking them to use every angle they know to get better results. You can also ask them to simply take over your lead generation altogether.

HOW MUCH RISK ARE YOU ASKING THEM TO TAKE?

It's a small risk. Vendors in any field should be able to gauge the viability of your product - and even if they're wrong, they never risk 100% of their investment. Even if the package they mail for your product turns out to be a bomb, they'll still get some response. You can probably figure it out. What's the worst case scenario? A loss of 20% Twice that?

Without extremely odd circumstances, the loss will never be 100%. Let's say it costs the vendors $10,000 to have your promotion created, printed, and mailed. If it works - and you can bet they've done everything in their power to ensure that it will - they stand to make a fortune, while sending qualified customer names. If it bombs, they may get only $8,000 in responses. That leaves them $2,000 in the hole - not much of a disaster, really, especially considering you've given them a rare shot at making a lot.

ANOTHER EXAMPLE

Let's say you've got a product that sells for $100. Production costs are $20, which covers assembly, packaging and warehousing. That leaves $80 of gross profit, which is quite
a bit and gives you leverage. It also gives you an opportunity to see how spending more can actually get you more. Most marketers would be tempted to earmark only about $10 of that $80 for generating new customers. That’s chintzy. Why not spend a little more in order to blow the roof off your profit ceiling?

Go to your advertising agency and tell them, I’ve got a product that sells for $100, costs $20 to produce, and leaves me with $80 of profit from every sale. I’m willing to give you $50 of that $80 to spend on marketing if I can get superior results from you. I’ll give you the exclusive rights to television, print, or direct mail for sales of my product, but I want you to handle everything. I want you to write the best copy, buy the best media, rent the best lists, get the best printing, handle the mailing, all of it. And for every sale you generate, I’ll give you $50.

You can try to get them to finance all or part of your campaign. Look at how much money they’ll make if they get excellent results for you. They might spend $100,000 on a major campaign, mail 200,000 pieces, generate a 5% response (10,000 units) and bring in $500,000 altogether. That’s $400,000 profit, which is probably 10 times what they would normally make off a major campaign. Plus, they normally wouldn’t have the incentive to get that 5% response; they’d probably be satisfied giving you a 1% or 2% response. So it’s better for everybody!

HOW TO STRUCTURE THE DEAL FOR EASY RENEGOTIATING

What can you do to adjust a too-sweet deal? First, try being honest. Tell them it’s too generous and you want to renegotiate. Second, put a clause in your contract that automatically sets a time limit for exclusivity. After a period of time, you and your vendor can renegotiate.

Third, you can simply offer to buy them out. If they have created a super-effective winning ad or mailing piece, offer them a chunk of cash to buy the rights to it so you can own it outright. Or, you can offer them a percentage of future sales from their existing work - less than the current deal, but still an attractive return that requires no further effort on their part.

It’s important to have an out - because you can never predict the future. Your relationship with the vendors may not work out. They may not respond as they should to the incentive. They may not have the depth of resources you initially thought they did. Or you may simply decide that the variable is too generous for what you’re getting.

USE COMPENSATION THAT HAS PERCEIVED AND REAL VALUE

There are interesting ways to offer variable compensations without money changing hands. In fact, money may not be the best way to motivate a vendor. One of the most obvious is to promise to continue giving all your business to a vendor; say, a printer or list-broker or ad agency. As you grow, with their help, you’ll become a larger and larger client for them to call their own.

Though you may be only a small account now, you can make a good case that, in time and with the right help, you will grow to become one of their largest accounts. So by pouring their energy and resources into you at the $10,000-a-year stage, in a short time
you will be a $1,000,000-a-year client. By nurturing your business into a super-power, vendors can develop their own businesses. This sounds obvious, but it's a bargaining chip that is frequently ignored by most businesses when dealing with outside vendors.

WHAT ELSE CAN YOU OFFER?

Only you know the extent of your true assets. Look around. Have you got anything else of value to offer prospective vendors in the way of incentive?

How about business equipment? Can you offer better prices on raw materials they need? Free rent in your building? Cut rates on hotels, air fare, ad space, new cars, clothes, furniture, computers, or whatever you sell or have access to?

You're not just trying to avoid exchanging cash for services here. Rather, you are offering enhanced compensation for superior service. The vendors you're dealing with have something you need, and you want to motivate them to help you far beyond their usual effort.

THE LANDLORD EXAMPLE

Let's say the person who owns your office building has 30,000 square feet of unused space. You would like to have a large chunk of it in order to immediately expand your sales campaign and have the room to handle the increased activity.

Go to him and say, "Look, I'd like to rent the space for the next six months for free. If you'll let me do that, at the end of the three months, I'll not only begin paying for the space, but I'll give you ten cents more per square foot than you're asking. And I'll sign a two-year lease to make it worth your while."

What's the risk for the landlord? He might think he could rent the space sooner, but by giving you the six-month free rent period, he'll see a better profit at the end of the year when you start paying him ten cents more per square foot.

The risk, really, is that you won't grow as you plan. And that could happen; there are no sure things in this world. However, because you're such a savvy businessperson, the odds are that you will grow as fast you anticipate, especially since the top ad agency in town is behind you 100%. Even better, show him how the extra $10,000 or so you'll save during those three months will give you an even greater shot at succeeding because you'll be able to afford to do even more advertising, giving you a 200% better chance of succeeding.

HOW TO TURN ANYONE INTO A VENTURE CAPITALIST

This is a way to provide extra funds for your marketing plans, gather capital to expand and create beneficial bonds between you and your vendors. What if you could turn your vendors into "non-equity venture capitalists?" By that I mean, a source of capital to whom you don't have to give any ownership of your business.

Let's say you have a mailing piece that you know - from tests - will work for a million pieces. Go directly to the heads of the companies that will provide the envelopes, the
printing, or the lists, and make them a creative proposition: Tell them you have this profitable project, but you need all the help and guidance you can muster. Say, 'I don't have the resources to market it to its full potential. You, however, are well-established and have access to capital. If you will help me, I will make a pact with you which you will find rewarding.'

'I will give you the exclusive rights to mail my piece to as many names as we can mail it to profitably, which is in the millions. If you fund the campaign, you can take your expenses off the top, plus take a fair profit for your contribution to the campaign. If your normal take works out to 15% of costs, then take 25% - as long as the mailing works. Also, you have my permission to change my mailing piece as much as you deem necessary to get the utmost response.'

HOW TO FIND AND APPROACH THE RIGHT VENDORS

Not all the vendors you encounter will want to do variable compensation deals. It takes an open mind to see the potential value in such an arrangement. So the time you spend finding these people is well spent and will reward you many time over.

Decide what qualifications you're looking for in your vendors and then track down the ones who meet your criteria. This isn't easy, but it's worth the effort. It means combing through publications. It means calling one vendor after another, asking questions, asking for opinions, asking for referrals and recommendations. Who's considered the best? Who has the most success? Who seems to be the most knowledgeable and most respected? Who looks like the sort of person you could effectively do business with? Leave no stone unturned in your search for the right vendor. Approach vendors who are financially successful. If they risk money on your campaign it is a drop in the bucket for them. Also, a successful vendor who has fallen on lean times may see you as a good way to turn things around.

KNOW YOUR FACTS AND FIGURES

Pitching a variable compensation deal is not child's play. Never approach anyone with just an abstract outline of your plan. Do your homework and have all your information carefully prepared, as if you were applying for a loan. You should also know how much commission they usually make and what their normal profit structure is so you can offer a variable compensation plan that will motivate them.

Have your criteria listed: These are my marketing goals, here's how much money I have in the budget, the product costs this amount to produce, there's this much profit on each sale, here's how the back-end works, etc. Finally, make your case for the variable. Show how the risk/reward breakdown can be so favorable to them. Make up best-case and worst-case scenarios. Help them see how their expertise and the viability of your product can lower the odds of failure and how they could double their profit margin based on the superior results they know they are capable of producing for you.

HOW TO PROFIT FROM VENDOR, SUPPLIER, AND OTHER BUSINESS RELATIONSHIPS

If you represent a substantial outlet or number of sales for certain suppliers, you have every right to go to those suppliers and impose upon them the requirement that they
cooperatively help finance promotions. If you are a big outlet or user go to the source and request that they put up a certain amount of money for a one-shot promotion or as a lump sum contribution for ongoing marketing. In other words, a percentage of sales.

Go to all the suppliers you deal with and say: 'We want you to cooperate and help us grow our business. We found out analytically that every time we bring in a thousand new customers, we buy $10,000 more worth of your product so you have a vested interest in putting up $5,000 or $10,000 to help us get those new customers.' No one ever asks for this money, but it's available.

If you're a substantial, pivotal client for that company, you can deal from strength. You should say: 'You know, Mr. Widget Dealer, it's arbitrary whom we obtain our widgets from. We've been giving you a lot of business, and we're planning to continue to give you a lot of business, but we put our own money on the line all day long trying to find new customers (or build new business) and that costs a lot. Since you're the main beneficiary of our efforts, I want you to cooperate with me. We're going to start off right now by you giving me $10,000 that we'll put into a pool. Ongoing, we want you to give us 3% of sales (or 5% of sales or whatever), thereafter.

'It may seem unfair and inequitable to you, but look at the alternatives. We're going to make this same offer to somebody else if you aren't interested. As a consideration, we're willing to stipulate that it's only applicable if we keep growing our business with you.' Why should you, the ultimate seller, be shackled with 100% of the risk when everybody else on the line is the beneficiary? Why shouldn't they be willing, able, and asked to help with the building of your business, and with the innovative marketing you're going to use that's designed to benefit everybody?

CREATING A COMPETITIVE ATMOSPHERE

Another way to use vendors or suppliers is to use one against another. I'm not saying this is right or wrong, but it's my opinion you should favor the vendor who is more interested in growing your business.

I frequently teach vendors that the way to grow their business is to go to the customer and say, 'I want to offer you something valuable. I want to help you grow your business. If you'll give me your business, I'll reinvest some of what I get in helping to grow your business.'

But now I'm saying reverse that. Look for the vendors who would like to have your business, and solicit them with the following: 'Mr. Widget Dealer, we're looking for a vendor. Frankly, your quality is fine, service is fine, timeliness is fine, and price is relatively decent, but we're tired of being the only ones that are at risk trying to grow our business so that everyone else can benefit.

'We want somebody who wants to risk with us. And, we want you to risk one of three ways:

1. Either risk in the form of money.

2. Risk in the form of credit.

3. Risk in the form of price reduction, but risk an amount that can be correlated...
to our sales so you have a vested interest in seeing us grow.

'If you're interested and willing to do that, we'll start with you immediately, and, as our business grows, you'll continue to get our business.'

OTHER WAYS TO USE VENDORS

How else can you use vendors? Any vendor that respects you may be willing to endorse your product or service.

The most logical entities for endorsement are professional services: Accountants, lawyers, etc. Your vendors could introduce you and buy their customers the first hour of your services, ostensibly as a gift. The vendor could tell the story about how you (an accountant, perhaps) saved or made them money and how the vendors now want to tell all their customers and friends because they appreciate their patronage.

Have your vendors and suppliers send a letter to their other customers telling them that in appreciation for their patronage they have bought them two or three hours of your time. You should tell them you are an excellent accountant, that you find deductions that no one else ever thought about.

You can have your vendors contact not only their customers, but also their own vendors. Your vendors can give you lists of other people they vend to who are not competitive and who are perfectly compatible to buy from you, represent you or sell through you.

One final point: Most companies forget their vendors. They take their vendors for granted rather than even giving them a second thought. Acknowledge those vendors. Use the same techniques as you would your best customers. And thank the vendors for serving you and acknowledge that they are appreciated.

HOW YOU CAN PROFIT FROM PROFESSIONAL RELATIONSHIPS

You can get all your professional relationships to recommend you. You can do things with endorsed letters. You can make a list of all the people you know or do business with and figure out how they, in turn, can get more business for you from their contacts.

One idea is to approach everybody in your industry or professional circle who's got employees, vendors, or customers and arrange to send them all a letter offering a really great deal for them on your product or service. Have the endorser explain that you are a friend and are offering a special deal for customers, employees, vendors. The deal is a 50% reduction in commission on the transaction. To track the results, instruct the recipient of the letter that the offer applies only if they speak with you personally. Offer them their money back if not satisfied.

Most people don't use their vendors enough. Vendors have the staff, they have the resources, they have the professionals. They pay big money for advertising, marketing, accounting and huge pools of technical assistance.

I hope I've opened your mind to a new way of thinking about your business. I truly believe that if you diligently apply yourself to integrating this new concept into your business, you can grow your business exponentially into a marketing powerhouse.
virtually overnight because of all the valuable resources you'll have behind you in the form of vendor partners who will be working harder than ever for your success. It will take some getting used to, but once you master this concept, you'll be able to position your business far above your largest competitor. You could overtake them with no risk. Do you know of any other business concept that can do this for you? I surely don't.

I recommend that you read this chapter several times in order to fully grasp the intricacies of the concepts I've given you.

I suggest you start thinking - right now - of all the vendors you deal with and how you could put together a deal that would entice them to work for you on a variable. Look at your own business and see how much you can offer them, either on the front-end or the back-end or both, and then prepare your sales pitch to persuade them to go for it. I think you'll be truly surprised at the power of this unique concept."
Jay Abraham ferreted out this excellent advice on public relations.

"One of the most powerful techniques every business should use is free publicity. As the name implies, there is no cost, just the time and effort required to attract attention to your business. Ron Tepper, a Los Angeles public relations expert, can teach you how to publicize your company without spending any cash. I've secured the rights to reprint a report of his, entitled An Insider's Guide To Effective Publicity.

'Only a handful of companies are blessed with a multimillion-dollar advertising budget or a household name. Even those that have been blessed use some small part of the promotional method which I'm going to tell you about.

This method is not very new, but has been used so haphazardly, so ineffectively, and only by a very small segment of today's corporations, that you can thank your lucky stars that you have this material in your hands.

At the very least, this course is worth thousands of dollars to you. Used properly, you will make tens of thousands of dollars. Following this advice exactly, having the right consumer product or service, and having an outstanding 'sales-type' personality, you could make hundreds of thousands of dollars from this.

WHAT IS PUBLICITY?

Celebrities must live on a steady diet of publicity. Politicians could never win an election without plenty of it (some quit their campaigns if they get the wrong kind of it). Authors could never get on the best-seller's list unless they lived, ate, and breathed publicity. Companies with a household name use it at one time or another for recognition. Fortune 500 companies pay around $30,000 per month for less publicity than you're going to get if you study this report.

The public loves reading, seeing and hearing publicity, whether they'll admit it or not. Sports pages are nothing but publicity. Shows like 'Entertainment Tonight' and 'The Tonight Show' are nothing but publicity vehicles.

Whether we like it or not, the very fabric of this society is sewn together by publicity.

So what is publicity? Publicity, as defined by the American Heritage Dictionary (Second College Edition), is defined in three parts:

a. Information that concerns a person, group, event, or product and is disseminated through various communications media to attract public notice.

b. Public interest, notice or notoriety achieved by the spreading of such information.
c. The act, process, or occupation of disseminating information to gain public interest.

THE ADVANTAGES OF RADIO

The least-respected publicity tool is probably radio. Use it to your advantage. Most of my clients have gotten their first big break with it. First let me sell you on radio's advantages. It has many distinct benefits that will help you get sales.

First benefit. Radio publicity, on many radio stations, can be done without any travel at all. When you realize that there are over 10,000 radio stations in the world, and that some will give you the opportunity to appear on their station without any travel at all, you will understand the clout I am talking about. You can simply pick up the telephone and be interviewed from hundreds or thousands of miles away. Nearly all publishing companies use this and run their authors through 'the publicity circuit' -- drastically increasing their audience reach and dramatically decreasing their costs. Having picked up dozens of authors who had gone through this 'circuit' before getting to me, I can assure you that the contacts I'm giving you would do wonders for even many publishing firms.

Second benefit. My company has piloted (rather successfully) the use of publicity in much the same way as direct mail. You appear on the show as a guest. But, we also make sure you get a toll-free number mentioned, or a Post Office Box, or something where the audience can reach you and buy from you. As you're getting your message across, you're getting sales. (This is nearly impossible to do on television or in the newspapers unless you advertise.)

Third benefit. You get to target your audience. Radio offers so many different shows every day or week. For instance, you might get on a hard-news show in the morning if there is a way to fit you in. If you're promoting a cookbook, you could appear on a food-related show on Saturday. Should you have a financial service or product, you might get onto a financial talk show in the afternoon. And if you have some sports-related product, you might get on during the weekend or at night. (The above times are hypothetical and just give you a range of what radio offers.) The only restrictions would be if you were selling something generally tasteless, such as pornography, drug paraphernalia or firearms -- or if you were selling something to another business -- then this is really the wrong medium for you.

Fourth benefit. You'll get a lot more time on radio, on the average, as compared to television or print. True, there might be appearances where you'll get a mere five minutes or less, but there are shows where you can also appear for one hour or longer. Average segments on radio tend to run about twenty minutes (including time for commercials) while segments on television will only last about five to eight minutes.

Fifth benefit. You'll get a true opportunity to tell your story. In newspaper or magazine interviews there are far too many misquotes, words or phrases taken out of context, and so forth for most articles to do you any good or get your point across. And if that doesn't ruin it for you, the editor will -- he's got his point of view, and yours is probably different. Similarly, television is so quick and the talk-show host's personality is often so strong (and insecure) that you may never get your point across. You may get asked questions you can't stand or questions which won't help you, or you may just be getting it together when your segment is done. With radio, you'll often get your side of the story on the air. The extra time really does help. Almost never will you be challenged without some
chance to fully rebut your story.

Sixth benefit. Audience participation. Radio is excellent because many stations have call-ins. Television rarely does this, and even more rarely does it well. That caller can actually help sell your product or ask the right question to get you going. With a live audience, you get listeners who are able to participate and who are participating. People who are participating in something are more likely to buy.

Seventh benefit. Repeat shows. If you do well on a show, the host or producer will want you back. It might be three to six months before you can get back on that show, but you have a good chance if you perform well to get a repeat show. One broker (a client) has been asked by several major shows to come back on a regular basis; just think, he's on every two months -- at the station's request! Consider the possibility of doing a talk show every three months for five to ten years. Consider having a dozen or more shows like that. There aren't many television shows that give you that opportunity and even fewer newspapers or magazines.

Eighth benefit. Getting on the program at all. I know too many aspiring talk-show guests. Few will ever get the chance to appear on a decent television show in a large city at a good hour. Fewer yet will ever be interviewed by a large circulation newspaper or magazine. But with radio, there is an excellent opportunity for your views, product, book, or service. There are thousands of radio shows. There are dozens of different 'classes' of stations based on performance. There are so many shows and the possibilities are incredible. I have known businessmen with hardly a following, even just 'starter-uppers,' who get on wonderful radio talk shows. I have seen self-published authors, who didn't have a leg to stand on, make a fortune using radio; (I even have several clients like this making money hand over fist using this method). So, radio gives you opportunity (something you may just not get with the other media unless you spend advertising dollars).

TELLING YOUR STORY

In the past year I've known several publicity people who failed to meet my standards for speed and volume. Unfortunately, I had to dismiss them. My standard is this: If the client is worth promoting, he ought to be able to do no less than ten shows per month. Each problem client or problem publicist had this at its foundation: The story wasn't good enough!

I've lost track of how many clients have told me they want to tell their story. While their story might be great at a cocktail party, for impressing a business associate, or for romancing someone -- to get on the air, with speed, on the very best shows, and on lots of shows, you must have the right story.

A business-to-business story will rarely work. I've tried a few and they generally backfire. That's not what radio is for. Radio is for the consumer. Radio reaches consumers at home or at work or while driving around. Your story must reach those consumers. It must provide that consumer with timely information. Generally, that timely information must be there to better that consumer's life. If you can offer the consumer a solution on how he can better his life, you'll get sales.

Your story must fit the definition of what radio is all about: Timely information for the consumer.

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YOUR STORY

Unless you're a nonfiction author, you're going to have to study this section carefully. There's an easy way to assemble your story...and a painful way. The painful way is to summarize or expand your advertising message and use that. Most producers will recommend you then contact their sales department to buy air time. That's an insult and I hope that never happens to you. Far too many presentations to the media are like that. That's what producers have told me. That's why so many stories are simply thrown away.

THE PRODUCER

The producer is either your friend or foe at the radio station. He or she decides if your story is worth telling. Unless he or she knows you, the deciding factor is your story. At smaller stations or shows, the producer may sometimes be the talk-show host himself. In any event, don't antagonize the producer. He or she may just be an assistant to the host, chief coffee maker, summer intern, or whatever, but that person decides if you will appear on that show or not.

PIGGYBACKING

In schoolchildren's games, when one child rides on another's back, it is called a piggyback. The term is also for hopping onto something else. This is not networking, so don't confuse the two terms. Networking is when you hop onto someone else's contacts. Piggybacking is when you hop onto something that's happening. You hop onto something or someone who is making news. If you are a celebrity, you are the person others want to be a part of. You are the news. How many times have you seen magazines, newspapers, or other media carrying stories like: 'The Ten Best-Dressed Women,' 'The Ten Most Decadent Women,' or 'The year's Sexiest Men'? These celebrities may or may not be those things, but some media will cover you if you make up lists like that and include celebrities.

The cover of Business Week magazine last year stated that if you want to sell something, hire a sports figure! That's piggybacking onto someone who is well-known and well-thought of. Try having a grand opening of a restaurant without one or more celebrities. See how few media attend. Bring in a major television star, the governor, and so forth, and count on television crews and photographers. I've done both and I know the difference.

Your story must PIGGYBACK. I'll say it again, your story MUST PIGGYBACK. One more time... YOUR STORY MUST PIGGYBACK!!

You story doesn't have to be celebrity- or politically-related. The bigger the news, the greater the coverage. This is a guarantee. For instance, if I were a commodities broker and I wanted some quick leads, I would call the big radio stations and say I wanted to comment on something really big in the news. Something that I heard on the morning's news, or last night's television news, or on the radio driving into work, or in the morning newspaper. I would try to tie it into headline stories in the major papers, preferably on the front page. This is piggybacking at its finest.

As you proceed toward the largest shows in the largest markets, you cannot succeed without this method...unless you have a book on the best-seller list, just starred in a popular movie, or are running for a major political office.
If I were a novelist, I would find something in my book that relates to what's going on today or has been in the recent headlines. That will open doors to many, many talk shows. Or if I were a travel agent, I would look through the newspapers, the weekly news-magazines, watch a few news programs on television, and then devise my story. A few years ago, many travel agents piggybacked on the European terrorist attacks for their publicity, and included areas where they felt it was safe to travel. It was certainly an outstanding use of this method for getting in front of the public's eye.

With the financial clients my company has, we've piggybacked onto the Persian Gulf Crisis, the widening trade deficit, and the Japanese economy to get on the most popular shows. Almost any news coming out of Washington, D.C. can be used in some way to further your cause. Political headlines can finally be put to good use. Even a cookbook can be piggybacked. Take, for instance, the trend that people are spending less time in the kitchen (or even dining at home). We used this news to place one cookbook author on shows discussing 'rush hour' recipes -- or foods that can be prepared and eaten quickly. I doubt that there is a business that sells to consumers that can't take advantage of a headline story to get publicity.

TREND

In the above paragraph I mentioned 'trend.' In the event of a missing hard-news item, look for a trend. In the 1950s, the hula-hoop made a big splash. In the 1960s, we had love-ins, long hair, and drugs. In the 1980s we had AIDS, natural foods, and the stock market. Trends can be cataclysmic or a quick fad. They can be spotted if you look carefully. If you see the fad more than twice, it could be a quick trend to piggyback upon. You might not always get a headline news item to play upon. So, you'll have to settle for a trend. They're not so bad. They're easier to manipulate to your advantage, you have less competition from others trying to capitalize on them, and you can probably use them for longer than they exist for themselves.

HOW TO ADD THE PIGGYBACK

As previously mentioned, your story should start out with a headline, a hard-news item, or a trend. The places to look for such hard news items would be in the pages of weekly magazines such as *Time*, *Newsweek*, or *U.S. News & World Report*. I would also search through recent pages of *USA Today* and *The Wall Street Journal*. The national pages of your local paper may not necessarily suffice. Larger circulation is a must here. The larger circulation papers are the ones in the major metropolitan areas nearest you. Examples might include: *The New York Times*, *The Los Angeles Times*, *The Chicago Tribune*, *The Boston Globe*, *The San Francisco Chronicle*, and similar ones. Because these have a national following, more attention will be paid to stories out of their metropolitan area than, say, a paper like *The Oil City Derrick*, which will feature local Board of Education fights in the first few pages. If you want national news -- news with story slants or angles that will be effective in Denver, Cincinnati, Detroit, and yes, even Oil City -- you'll want to get those top stories.

TOP STORIES

There are two types of top stories: Top national stories and top local stories. Top national stories have a large national impact. Top local stories have largely a local
Impact. A top story that you're interested in would be the kind that's going to be featured on the front page of the newspaper, and possibly the front page of the business section. If it's on page one, then your story will go further.

Here's what most radio talk show producers are interested in as story grist for their mill: The economy and personal finances, health, politics, big names, or controversial stories. Most newspaper editors, similarly, will give page-one category to stories that concentrate on big names, big money, violence, sex, and controversy. The more elements of the above you have in your story, the longer it plays. For instance, a local story that made national headlines (and still makes a good story for some perverted reporter): Son of Sam. Here was violence and sex. If he was a millionaire murderer, that would work even better. And someone like Marilyn Monroe who died from a drug overdose, supposedly slept with a very rich President (who was assassinated) and died controversially, will be paid massive tribute. And Elvis -- who was a sex symbol, very rich, a big name, and died from something controversial (drugs?), always gets headlines, even years later.

I've worked in nearly every aspect of the media industry. Let me go over a few. Many of us are already familiar with economic doomsayers. Some of us have probably read their books, subscribed to their newsletters, and so forth. My company promoted one such book that spent nearly a year on The New York Times Best-Seller List. It's called, The Great Depression of 1990, by Dr. Ravi Batra (Simon & Schuster, 1987). I've never seen such a success occur so quickly. Here's an economics professor from Southern Methodist University in Dallas who's going to weather any upcoming depression nicely from his book royalties. When he first came to us, he was self-published, unable to get a major chain to carry his book. After three months of radio publicity using our program, he sold his hardcover rights to Simon & Schuster for $125,000 as an advance against royalties. In July, 1987 he sold his paperback rights to Dell for $300,000. Promoting his book has been a breeze because of the examples I gave you: Depression means big money (big money lost, but nevertheless big money). Depression means violence; the thought of a depression is certainly controversial. And now that he's a best-selling author, we've got a big name. His second book shot to the top of The New York Times Best-Seller List on his name alone.

An entirely different story is Dale Alexander. Dale is probably the biggest publicity hound in history. He has appeared on nearly 10,000 talk shows, including every major show you can name, and got launched onto the best-seller list in 1957. He is a crusader who advocates the use of cod-liver oil as a cure for nearly everything, including arthritis. Arthritis is big business to big medicine. Here is money and names rolled into one. Arthritis is also a painful problem for the afflicted. Cod-liver oil tastes awful (another view of violence). The entire concept is controversy. Dale also solved the sex problem by stating unequivocally that cod-liver oil, taken over six months, will solve any sex problem you have, improving your sex life. He's covered all the bases!

THE TWIST

Now, whether you have a hard news story or trend upon which to piggyback, you need that extra touch to separate you from the rest of the pack. For instance, say you chose the Persian Gulf story. Where is your participation? Your comment? How do you fit in? More importantly, how does it affect the consumer? I used: 'Gasoline Unes Longer in the 1990s?' as the twist. We started with the OPEC oil conference because the story really read that gas prices would go higher and that oil production would be lowered to below current levels. There was enough play in that story proving that oil would go

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higher that we went with it. The commodities firm made a tremendous killing for their clients -- the radio listeners.

Always include the consumer in your story. That is the basis of your story. Twist the hard news angle or trend to affect the consumer. How can you help him? How can the news hurt him? Where will it hurt him? Just place yourself in your listeners' shoes. Why should the listeners want to listen to you? If you exclude the consumer from your story it won't work. Consumers are listeners, and listeners mean rating points.

Rating points are the yardstick as to how many people are listening to the show. If ratings are up, the percentage of listeners increased. If they're down, a percentage dropped -- meaning less listeners.

The producer is entrusting you to make his ratings go up. If you talk about something in the news -- something listeners easily understand and can relate to immediately -- then listenership will not drop off. It may even increase. The producer will be happy to have you back. All this must occur before you are even scheduled. The producer must evaluate and determine whether you and your story will increase or decrease his ratings.

Please learn this lesson well: Fit the consumer into your story. The broadcast media -- radio and television -- pride themselves in being public service media. Radio talk shows exist only to give listeners an in-depth look at the issues of the day. See how you fit in. Include those consumers into your story.

HOW TO FIT THE CONSUMER INTO YOUR STORY

To begin with, determine how you are helping the consumer, by either increasing his wealth, improving his health, or attacking his enemies. Your challenge is to isolate how you're helping the consumer and match that with something in the headline news or feature trends.

For instance, Dale Alexander had been promoting his cod-liver oil for over thirty years, first in his books and then with his product as well. There wasn't any real news here. But luck was on his side. Medical researchers broke the news in mid-1986 that what he'd been saying all along was true. There was a correlation between fish oil intake and reduced arthritic swelling. It was hard news! He piggybacked it backwards, so to speak. But he did piggyback. He got hundreds of shows in this way -- and quickly.

Dr. Batra's Great Depression book fit well with the Dow Jones averages which were making incredible highs. But his piggyback was someone else's piggyback. Robert Prechter, an Elliot Wave Theorist, predicted the market would climb much higher and crash in mid-1989, coincidental with Dr. Batra's prediction. So, we piggybacked him, since he was hard news at the time. And it appears that Dr. Batra, himself, is becoming hard news now, so my company is now piggybacking him!

The point here is not to boast about our successes, but rather to show you that spotting trends just means reading the papers and thinking. Virtually any story you have will match up with some hard news item or trend that affects the consumer. One book, for instance, that we're promoting is about tracking animals in the wilderness. Well, there has been a trend that Yuppies appreciate the outdoors. So, we jumped on that bandwagon with our twist.
Another example is a water purification product. Sounds pretty dull. Well, bone up on how bad water is in this country -- it's toxic. Now say so to the producer and you'll get plenty of talk shows. Toxic wastes are a hard-news trend. Any time the story comes up it's news. It should be easy to jump onto. Just say something like, 'Your water may have some extra molecules that would kill rats.' How's that for consumer-oriented, violence, controversy, and big money? (Where did the toxins come from? Big companies.)

Remember the consumer and you get on the show. Forget the consumer and forget about appearing on radio or television.

GETTING TO THE PRODUCER

Now that you've gotten your story together and can make it help the consumer, your task is to interest a few people into using it. The more the better. Over the years, press agents and then public relations firms relied on something called a press release. A press release is something that releases hard news, financial information (such as dividend information for a company listed on the New York Stock Exchange), candidacy for presidency, or signing a major movie star to an upcoming movie. Announcing the opening of yet another chiropractic clinic isn't going to get taken seriously unless you're also buying space in one of those low circulation weekly papers that give you editorial exposure if you buy an ad. You're not even going to get a sneer from these guys in the media. There are dozens of busy journalists, reporters, television-assignment editors, and radio producers who have better things to do than read your press releases. Most are just thrown out after a quick glance. They're mostly silly, archaic tools. They just got overused, then abused, and now they're just impractical. Most editors will get the news they want to cover from the Associated Press or United Press International Daybook Wire. Your press release is clutter.

This segment is devoted entirely to getting your story taken seriously, not just half-read and thrown in the trash basket.

THE PRODUCER, AGAIN

Producers generally schedule guests for talk shows. They probably also make coffee, pick up the host's dry cleaning, and open mail. In some cases, the producer and the host are the same person. Yes, they are fearsome, loathsome creatures, as any publicist will claim, but they are also real people. And real people will listen if you talk their language. Here is their language: 'Tell it to me quick.'

I'm going to make this really simple. Please don't improvise, because that's why getting to producers is often so confusing.

THE EXACT PROCEDURE

Step one: Summarize your entire story or 'pitch' into one sentence. Don't get fancy. Example: 'I've got something on the Persian Gulf and it could mean longer gasoline lines in the next few years.' Bingo. No more. That's all for now.

Step Two: Call the producer. Tell him or her just that and no more.
Step Three: He or she will probably ask for more information on the phone really quick (this is called sorting the loonies from the guests). At this point, explain your story in another few sentences. Don’t get fancy here, either.

Step Four: The producer will ask you to send information. You say you will. This will be covered in the next few pages. Don’t try to sell him or her at this point.

Step Five: Send it.

Step Six: Recontact the producer in about seven to ten days.

Step Seven: Recontact the producer as necessary.

WHAT YOU WILL SEND

You will send the producer a pitch letter. This is your presentation. You won’t send your picture or press release, just a pitch letter. Now, what is a pitch letter?

This pitch letter is not a real letter. The decision to have you or not to have you on their show will occur in about five to ten seconds, during which time the producer will have scanned over the first paragraph and decided either yea or nay.

You are to take the entire one-sentence summary of your story and repeat that in writing at the beginning of your letter. This is your opening. You then follow with the rest of your story, chopping out any unnecessary verbiage and just sticking to your story.

Omit any solicitous or gratuitous greetings. Omit all greetings. ‘Dear Ms. Jones: Longer gasoline lines are forecast in the 1990s. The Persian Gulf crisis only means bad news.’ And so on. Forget saying, ‘I’m really happy to have spoken to you the other day. I hope the weather is great in Milwaukee.’ What a lot of junk. He or she will see right through that. His or her job is not to be flattered or admired. It’s to get the ratings even higher. Period. Keep that in mind.

The rest of your letter should be short and simple. Don’t get complex. Just state what you’re going to talk about. Don’t use complicated technical terms, as that will clue the producer in as to what kind of awful guest you’re going to be. The whole letter should be under 150 words, and certainly no longer than one page!

WHAT ELSE TO SEND

Along with your pitch letter, you’re going to have to send two other items: Recent press clippings about your company, product, book or service, and your biography. Let me start with press clippings.

Unless you are very fortunate, you won’t have press clippings. But your hard news story or trend will have clippings. You clip from the places where you read. I find that using newspaper or magazine clippings that relate to your story will get the guest or expert the better shows, more shows, and longer shows (for instance, a 15-minute scheduled interview would become a 40-minute interview). I also believe that this will get you a repeat appearance at some later date.
To obtain these clippings, just clip while you're researching your hard news angle or trend. Use The Wall Street Journal, USA Today or The New York Times for best results. The Los Angeles Times and The Chicago Tribune are also very good.

If you need to do in-depth research, go to a library and ask for The Reader's Guide To Periodical Literature. Most magazine editors live and die with this reference guide. Ask your librarian how to use it. It will give you many (if not all) major topics in past magazine issues and in which issue they are located. It's great for locating clippings from the past few months or years that support your current topic. You'll probably notice that news, like history, is circular and tends to repeat itself.

You'll also need a biography. This is not a resume, but close enough to resemble one. This sheet supports why you're the expert, where you studied to become an expert, what positions you have held and hold now, and honors or achievements you've earned. Also include published books or articles as that adds credence to you. Don't include that you are a bowling champion, speak French, etc., as these are unnecessary. If you've written it like a personal advertisement, start over again. Your objective here is to show the credentials you have that will convince the producer that you, not your competitors, should be on the air.

CONTACT

You've previously contacted the producer. You've sent the required Information. You have not jumped the gun and called four times before he or she should have received the information. You have waited, discreetly, for the information to arrive and for it to be read (amidst hundreds of other submissions), and for that decision to have been made. Do not contact the producer until you are certain the above has really occurred.

It's happened. Now what? Well, a decision has probably been made. The producer may have already contacted you. Chances are he or she hasn't though. So, pick up the phone and call.

In this phone call, gently remind the producer who you are. Say something like: 'Hi! I'm the one who's predicting long gasoline lines in the 1990s.' Throw the hook out again. Get it out fast. Don't dawdle, because you're wasting the producer's time. Your job is to get your point across for a third time without wasting his or her time. Tough task. If you mess up, they'll dump you. So, be quick about it. Be friendly, but not overly so. If the producer is friendly, that's great. You're probably going to be a guest.

Now, here's the test. The producer will be searching you out to see how you sound. Do you have an accent? Do you answer in yes-or-no answers? Do you hesitate ten or more seconds before answering? These are killers.

Sometimes, it's just too hard to get on a particular show. Or, the show is just flooded with great guests. If all else fails, simply say, 'Please do keep my material on file. I'm always available. If you need me as a guest, I'll be there for you. Just call me, even if it's at the last moment.' Will such a wimpy line work? Well, one friend tried this with The Larry King Show (one of the largest shows in the country and certainly the largest radio show in the country). It worked. He was called on the evening of an upcoming religious holiday. He appeared and got thousands of calls. Make sure the producer knows you're available, just in case. And mean it. Once you promise, you can't let that producer down...ever!
RECONTACT

With some media people you might have to keep calling back. Many are juggling several guests and dealing with a crazy host. Don't get pushy. Be polite. Promise to call back at a certain time. Sometimes your material doesn't get read. Let it go. Be polite and offer to call in a week or so. Don't come across as desperate or tough. Don't keep the producer on the phone. Be friendly. Have good manners. Keep calling. Resend your kit as necessary, if there is genuine interest.

ACTUAL INTERVIEW: YOUR APPEARANCE

Occasionally, I see a few guests go out of their way to ruin their appearance. You really have to work at it to mess it up. Here are a few cautions.

Avoid the Commercial

You are not there, in the talk-show host's eyes, to sell your product, book, or service. Rather, you are there to provide an excellent, informative show. Remember, timely information for the consumer. If you treat the show as an advertisement or commercial, you'll get dumped. Fast. Faster than you want to. That scheduled 15-minute interview suddenly ends at two minutes. I've seen it happen, and you'll never, ever appear on that show again. You are there to discuss your specialty. You have been elected because you are an expert. You have something to say. For one reason or another, the producer felt you would help the show keep its audience. Treat it like a commercial and you'll get thrown off, or insulted live, on the air.

Yes/No

Next to treating the show as a personal commercial is the aggravation of the monosyllabic interview. Responding by saying 'yes' or 'no' to a host's questions will not get your product, book or service sold. It will drastically reduce your appearance on that show. You'll get cut off in a few minutes or so. You'll never appear again. You'll be made fun of before getting cut off, and again after you leave the studio.

Beating a Dead Horse

Some guests will answer the questions with variations of the same answer. Let's say you actually do have a cure for bad health. The cure is 'eat brown rice.' If you repeat the cure in practically every answer, you're going to sound awfully dull, probably silly, after a while. Don't alienate your host, your audience, and the producer by repeating the same answer to every question -- or even anywhere near that frequently. That's just wasting everyone's time.

The Perfect Appearance

Now that I told you what not to do, let me tell you what to do.

1. Thank the host for your appearance. This makes him look good and gets him on your side.
2. Answer the host's questions completely, honestly and without hyperbole.
3. Mention your toll-free number at the end (or earlier if a listener asks) and how you or your product can be reached or order.

4. Use every spare minute to focus on how your subject benefits the consumer.

5. If there are call-ins, answer questions fully using real-life examples.

6. Thank the host for having you on his show. This often opens the door for another invitation.

The only thing I've left out is this: Speak about what you know about and don't speak about something you don't know. Of course, I'll also include the platitude: Be natural. That's simple. Just don't get phony. You'll find yourself magnified many times over when you're in the public eyes or ears like this. If you treat this lightly, think about how someone like Gary Hart must feel now that he's been exposed in the manner he has. That's what happens when you're in the media.

Getting the Sale

You've been scheduled. You're on the show. Now, what about actually selling your wares? I know of three different methods for getting your book, product or service sold.

If your book, product or service is nationally distributed, merely mention the local outlet where consumers can purchase your produce, service or book. Say something like, 'Well, if you want your taxes prepared by us, just call your neighborhood D & B Rock office. It's in the phone book.' Or, 'Those who want my elk-hunting video can call Videorama stores in Detroit. They're carrying them.' That's all that method takes.

If your product or service or book is not nationally distributed, you'll have to sell it direct. The two methods are toll-free numbers or Post Office Boxes.

I prefer toll-free numbers. It's easier to call and order something with your credit card and dial a toll-free number than it is to write a check, address an envelope, put on postage, and mail. Toll-free numbers are fast. Many charge between $1.50 and $2.50 per order (and other costs which you don't find out until later). If your book or product is $4.95, use the Post Office Box method. Toll-free numbers are effective if you charge more than $19.95 per order.

And even if your product is nationally distributed, it's wise to include the toll-free number. Some people may be elderly, handicapped or infirm, and can't get to their local outlet. Others are lazy and won't. Get those extra sales this way.

When Do I Mention It?

Leave it for the end. Those who are still interested in your product, book or service (or even you) will stick it out for the end. But remember, you're not going to sell everyone. I would not risk missing a reappearance on the show because I kept mentioning my phone number.

There are guests who, because they continually mentioned their toll-free numbers, will not repeat as guests on some shows. Don't be one of those. Hosts will attack you for abusing this privilege.

If you pull it off well, the host will repeat the number back to you, encourage his
audience to call and order the product, and pat you on the back. Compare that to a stream of insults you might get if you continue repeating your number throughout the show. It’s not worth it.

I do know of people who ‘forgot’ to mention their toll-free number or Post Office Box. Too bad. Those people threw away hundreds of dollars of valuable air time, their own time, whatever it cost to get on the show, and so on. For God’s sake, write down your toll-free number and keep it in front of you while you’re being interviewed for the first few times.

You must remember that your reason for doing the show is to sell your product, book or service. Of course, you’re not going to be obvious about it while you’re on the show. But your aggressive drive should be toward creating an entertaining and educational show so that the consumer is on your side, the host is on your side, and the audience is fully prepared to order your product.

**Warning**

Please realize that when you are appearing on a talk show that you are reaching many thousands of people at one time. Many will respond to you and want to buy your product or service. So, while you are going through this report, I vigorously recommend that you review your personal (or company’s) ability to service all of the phone calls, letters, orders, sales leads, inquiries, or whatever you ask for on the air. Personally, I believe you should respond to whomever calls you.

Some of my clients in the past have been so deluged with phone calls they’ve actually wasted their publicity efforts. One doctor appeared in a magazine and got his 800 number mentioned. He received over 8,000 responses. He had to throw over 2/3 of them away.

I don’t issue this warning lightly. Beef up. If you do this right, you’ll get lot of phone calls."

**James Cook tells a few basics about public relations:**

"Since a new company can’t usually afford a P.R. firm, new entrepreneurs must learn how to handle the public relations task themselves. When I had a small struggling company (now I have a large struggling company) I got lucky with P.R. We were selling wood-burning stoves. This was just after the first energy crisis in 1973 and I had developed (‘copied’ is a better word) a heavy steel wood burner that we named the Sierra Wood Stove.

My company couldn’t afford to advertise; I had to go many months without a paycheck and unpaid bills cluttered my desk. Sales petrified, my secretary worried about her paycheck clearing the bank and the landlord was ready to shut us down with an eviction notice. A few weeks prior to our looming financial crisis I had typed up a few paragraphs about our Sierra stove, enclosed a black and white picture and sent it to some local newspapers and magazines.

One day an editor called. He told me he had started up a brand new magazine for small farmers and he wanted to do a story on the Sierra stove. He had my press release. He did the story and almost immediately the new magazine went to press. The story included our phone number. In a month we sold 25 of our stoves at $400 each. We made $200 per stove and that $5,000 gross profit paid the bills, my secretary’s salary
and the rent. It kept us going until another part of our business sprang to life and got us around the corner.

When I started to make money, I hired a high priced P.R. firm. What did they do? Typed up a bunch of press releases and sent them around to newspapers and magazines just as I had done for my stove. Can you do that for your product or service? Of course. Type a couple of tight paragraphs and mail them out. Send your release to publications that have a kinship with what you’re offering. If you have a local service business, depict an interesting slant on your business and send it to local newspapers.

However, understand that magazines and newspapers get flooded with press releases. You may be lucky and have your press release published, but the odds are against it. You need to go beyond the simple exercise of mailing out a publicity release. I once knew an inventor who had a fireplace grate that he invented written up in *Time Magazine*. He was flooded with inquiries. How did he do it? The energy crisis had blossomed. He played off that story and called the science editor of *Time Magazine* directly on the telephone. The timely subject and the direct call got him the story.

Consequently, I believe you are better off cultivating one or two editors directly by telephone. You need to establish a relationship with them by calling, writing and calling. You will know on the first call if it's worth pursuing. If so, build up a rapport and consistently ply them with interesting data. Not only might they give you a money making plug, but you may be able to cultivate them enough so they continuously look to you for information on one or more subjects. In other words try for a long-term relationship. If you get one nice piece of publicity don't drop them like a hot potato. Keep nurturing the relationship.

Be sure the publicity you get benefits you. Make certain it translates into orders. What good is a mention in the media without your company name, specific addresses, phone numbers and product pricing? A gold dealer I know always has his opinion quoted in the *Wall Street Journal*. So what. They never mention his company, his phone number or what exactly it is that he sells. A lot of press releases only glorify someone's ego. It's not worth the time or money unless it translates into sales.

When I promoted the sale of my book, "The Start-up Entrepreneur," I went from city to city for radio, and to appearances and to meet business writers at various newspapers. I had a P.R. firm make these arrangements. About one of every two newspaper writers did a story on me or my book. Because I saw them in person, the story got written. Don’t hesitate to call a feature writer at your local newspaper and set up an appointment to sell them on a story about your business. You must have an interesting angle or be tied in with a hot national or local story. The personal visit accomplishes far more than a telephone call or a press release in the mail. I am trying to teach you that whatever you try to accomplish, you must extend yourself beyond what others do in business. Like anything else the best public relations results come from going the extra mile."

**Ron Tepper tells us more about News Releases:**

"How would you like to make $10,000 with three days of work?"

I can tell you exactly how, but there is, of course, a slight catch -- you would benefit more if you're a service business. But, don't fret if you're not in a service business, because I have some ways for you to make money as well. Whether you are a wholesaler, distributor, manufacturer, or retailer, you can increase your business through a simple
technique called promotion.

Here's how to collect that $10,000.

Your city probably has a convention or exhibit center which hosts hundreds of conventions every year, and those conventioneers have needs.

For example, most centers require convention sponsors and exhibitors to carry a liability policy in excess of $1 million dollars. The convention center will happily supply insurance at a premium price, but if you're in the insurance business, you can supply that policy.

Conventions also require catering, entertainment, printing, and travel assistance.

But how do you make the $10,000? Here is how (an) instant printer in Los Angeles did it.

A few years ago, this instant printer phoned the local Visitors and Convention Bureau and asked for a list of every upcoming convention, as well as the names and telephone numbers of each convention coordinator.

The printer looked down the list and saw a Small Business Expo scheduled. He called the convention coordinator.

'I am Joe Jones, local instant printer. When you get to town you will probably have some printing needs, which I can take care of. I'll pick up your printing each morning and deliver it each afternoon.'

The convention coordinator said, 'That's great. No other printer has offered such service.'

By the end of the three-day convention, the printer had made $10,000.

There's a lesson in this story -- you must be alert to promotional opportunities. Most business people who are aware of conventions coming to town just send a form letter saying, 'If you would like our service, give us a call.'

That is not the way to promote your business. Never leave it up to them to call you. You call them. Convention coordinators are busy. They will call only after they get to your city, and only if they're desperate. And, they usually look in the Yellow Pages, forgetting about your letter. But not if you call them.

I used to work with the International Entrepreneurs Association. We held conventions in a major city each month. In more than thirty months, we were never personally contacted by a service organization offering printing, photography, or catering needs.

This is an opportunity for you.

For those of you who cannot earn $10,000 that way, don't be discouraged. There are countless other ways to promote your business and make a lot of money at minimal cost.

Anyone can learn to promote. A Gallup study showed that 64% of American men share the American Dream of owning their own business. And with the growing number of working women, I'm sure many of them would like to 'do their own thing' as well.
However, the Small Business Administration will tell you that three out of four small businesses will go broke. You'll hear a lot of interesting reasons, such as a lack of capital or mismanagement. But, I don't think that's why most businesses fail.

Most businesses fall because they neglect to promote their business in three key promotional areas:

1. Public Relations or Publicity;
2. Merchandising; and
3. Promotions.

You can master these areas, and they're practically free. You might spend $50 on hard costs, but they have ten times the impact of any advertising.

The key to successful promotion is to know your market, and you don't need an expensive market-research firm for that. It only takes common sense.

If you're a local retailer, where is your market? Unless your product is extraordinary, 80% of your customers will come from within five miles of your store.

If you're in a service business, where is your market? Most services draw way beyond that five-mile area. The last time you called a plumber, where did he come from? Most service businesses cover an entire metropolitan area of 50 to 100 miles, sometimes even farther.

If you're in distribution and manufacturing, your market depends on what you're distributing and how far you're distributing it. A manufacturer may have a national or international market.

Once you know your market and who your customers are, you can answer the question: What media -- newspapers, magazines, radio stations, and television stations -- do those people read or listen or watch?

These media will often promote your business free and give you millions of dollars worth of exposure.

Local retailers' customers within a five-mile radius probably read a large, daily metropolitan newspaper and a suburban newspaper as well. They probably also listen to local radio and watch local television.

What media reach a service business customer? Let's say you provide secretarial services. In a city like L.A., your customer is every business professional in that area. What media reach those people? The Los Angeles Times, the largest newspapers in the city, and several suburban newspapers.

What type of radio would reach a business professional? He goes to work in the morning and comes home in the evening -- usually in a car, so radio reaches the business professional between 7:00 a.m. and 9:30 a.m. and 4:00 p.m. and 7:00 p.m. During the day he's probably in his office, so during those hours radio is of no use to you. But which radio stations reach the business professional during the commute hours? He probably listens to traffic reports or news, so all-news and all-talk stations will reach your market effectively.
In your own industry, there are probably trade publications. The restaurant industry has Nation's Restaurant News, people in the music field read Billboard, Cash Box, and Record World. GM uses a trade paper called Automotive News. (There are a number of other auto trades but Automotive News reaches the whole market.)

PUBLIC RELATIONS AND PUBLICITY

Once you know your market, your customer, and the media, you're ready to promote your business. The best way to start is through public relations or publicity (P.R.) Everyone has his own definition of P.R., but I think of it as advertising you don't pay for.

There are two kinds of P.R. The first kind is 'hard news.' It's last night's crime, the election, etc...it's news the media has to cover now, before it gets too old.

Most of the T.V. nightly news is hard news. The same is true for newspapers -- 90% of page one is hard news. Hard news won't help you much.

The second type of P.R. is feature news.

This is most helpful to small businesses. The media covers feature stories about business, people, and products that aren't time dated. They can run almost any time.

Johnny Carson has feature guests all the time. They usually talk about their career, their product, or something related to their life. Carson gives them exposure to millions of people. Whether they were on last night, tonight or tomorrow night, it doesn't make any difference. The topics they're talking about are often timeless. They can be used in a one-, two-, or three-week time frame.

Local TV talk show guests talk about their products, businesses, or careers, and they don't pay a cent. These guests are all in the 'feature news' category.

In your local suburban newspaper or any large metropolitan daily, you'll find feature stories about people and products -- all free. All those guests on the Carson show, all that feature material in the newspaper, all those feature stories on radio -- they all cost nothing (for them).

Before we go any further, let's redefine the word 'product.' A 'product' is whatever you're promoting -- a person, a bar of soap, or a service. They're all products because the promotional techniques are all the same. Your business is a product.

Every national magazine has feature stories about products, but how do these products get that kind of exposure? Why does a TV show like the Carson show have a certain person as a guest?

Some P.R. person sold them to the media. A P.R. person is no more than a salesman who sells his clients and products to the media by finding something unique about them and bringing them to the media's attention.

A good salesman finds out what the prospective buyer needs. When you go into a Chevrolet dealer to buy a new automobile, a good salesman doesn't say, 'Let me show you this Monte Carlo, sir.' He asks, 'Can I help you, sir?' because he first wants to determine your needs. Then he knows the 'hook' or angle to use. If you need an economy car, he'll
show you a Chevette instead of a Monte Carlo.

The same is true when a P.R. man 'sells' a client to the media. He tries to find the unique 'hook.' He's no more than a salesman. He's meeting the needs of the media.

All media need to keep their audience. If they lose their audience, they lose sponsors; and if they lose sponsors, they lose money -- and they're not in business to lose money.

The editorial staffs of news programs and newspapers may not consider advertising important, but management does. It can't exist without the revenue. The stations and newspapers with the highest ratings and largest circulations earn the most revenue. Consequently, they try to entertain their audience. They're always looking for a story that has a unique angle to help them fill their needs.

The successful P.R. person never forgets this. He sells a story to an editor by thinking about the editor's audience and the kind of story that audience would like to see or read. The editor's audience is your market.

Every product has some unique feature that can be sold to the media. It only takes a little time and thought. Anyone can hire a professional P.R. person, if he has the money. But you can be your own P.R. representative, doing the selling yourself and approaching the media with various angles and hooks about your product.

Once an angle is developed, you can approach the media several ways, but the news release is the most important and probably the easiest to master. It is a basic P.R. selling tool for almost every successful business. I can guarantee you won't find one Fortune 500 company that has not effectively utilized news releases. You can do the same.

Good news releases are easy to write. You don't have to be a college graduate, an English major, or an authority on journalism. Good news releases are written so a sixth grader can understand them. If they're not simple, they're no good.

Many people send out news releases which are never printed, usually because of simple structural mistakes, such as:

1. It isn't double spaced. After a full day on the job, editors have seen hundreds of news releases, and those that are not double spaced appear unprofessional and hard to read, so they get thrown out.

2. There is a typographical error. When this happens, the editor usually thinks, 'If they don't care enough to spell it right, it must not be important enough to use.'

3. The news release is unprofessionally duplicated. People tend to run their news releases through the 'instant-copy' machine instead of taking them to a quick-print shop and having 50 or 100 copies run off professionally. Using an instant-copy machine is a big mistake. Such copies are usually hard to read, have smudged, pale impressions, or crooked on the page, while professionally printed copies are easier to read. Don't instant-copy your news releases.

4. The wrong color paper and ink. News releases should always be on plain white paper with black ink. Don't try to be fancy and use red
stationery with pink type. Remember, the editor has been reading all day. Make it easy for his tired eyes. Pink on red is hard to see; black on white is easy.

5. No dateline. Ideally, the dateline should be the day you mail the release. The date serves as a reference point for the media. If there's no date on it, how can the editor possibly know when it was mailed or if it is still valid? How does he know it wasn't lost in the mail for six months? Also include the city in your dateline.

6. No contact source. This is a name and phone number where an editor can call to ask questions. A contact source should be part of every news release.

7. No letterhead. News releases should go on your company's letterhead, not plain white paper. Letterhead is part of your image. Just add the word, 'news' to your letterhead, and you have a news release.

8. Poor construction. The most important news items in the news release (should) go at the top, and the least important toward the bottom. Editors cut from the bottom up.

9. Too much hype. News releases should only contain four basic facts: who, what, when, and where. Don't use a lot of adjectives. An editor isn't interested in reading a quote from you on how great your product is or how great your new salesman is. He only wants facts, and that's exactly what you should give him.

Anyone can write a good news release. Once you give the facts, you've written a news release.

Let's repeat those nine points in a good news release:

1. Double space;
2. No typos;
3. Use a professional printer;
4. Use plain, black type and white paper;
5. Use a dateline;
6. Include a source -- your name and phone number;
7. Use your letterhead;
8. Put the most important information at the top;

If you have ever sent out news releases that were unused, you probably violated one of
those rules.

Now, once the simple technical aspects are mastered, what do you put in a news release?

WHERE'S THE BEEF?

Let's say your company introduces a new or remodeled product. Put the price in the last paragraph. If the release is being sent to trade journals, include your discount structure, advertising allowances, displays, etc.

There are many other types of news releases:

1. An executive-appointment release, announcing the appointment of someone to a new position.

2. A community-involvement release. If your company sponsors some event or service, or receives or gives an award, submit a news release to the community section of the newspaper.

3. Industry forecast. You can release an industry survey. Talk to some suppliers and customers and project where your industry and your company are going in the next six months. Become a spokesperson for the industry.

4. The topical news release, relating to a trend or trends. The media is particularly interested in certain trends -- energy, inflation, and consumerism. Your products, no matter what they are, will tie into at least two of those.

One example of how a company exploited the consumerism trend is the International Entrepreneurs Association (I.E.A.), which specialized in reporting on new and unique businesses. (Now it has more than 227,000 subscribers and is called Entrepreneur Magazine.) But at that time, it had about 72,000 members who paid dues of about $55 per year. One of the things I.E.A. published was monthly information on business opportunity fraud. Each month, it sent its members fraud reports and told them to beware of particular types of fraud. In late 1978, I.E.A. put together a booklet called 'Business Opportunity Frauds.' It was 47 pages long, and contained 15 of the most common business opportunity frauds perpetrated on the public.

What was this booklet, really? It was a new product. How did I.E.A. market it? First they asked themselves the same question you should ask yourself: 'Where's my market?' They sell business information to business professionals, so they reached those people through the business pages of every major newspaper in the U.S.

They started with a new product news release, and sent it to the business editors of every major newspaper in the U.S. At the bottom of the release was the price -- it was free! Consumers only had to send 50 cents for postage and handling to receive a copy of the booklet. They sent the news release to the editors, but not a copy of the booklet. You don't have to send samples with new product news releases.

At the upper right-hand corner of the release was the contact source, so any editor or consumer who actually wanted a copy could call for one. After I.E.A. sent the releases,
they received a number of phone calls from editors asking for copies, so they sent them out, and waited.

In eight weeks, I.E.A. received 55,000 requests altogether for the booklet -- $27,500 worth of business. The 50 cents per booklet barely covered the printing and postage, but they didn’t plan to make money on that.

I.E.A. also used a clipping service which clipped all the news items pitching the booklet. In that eight weeks, they received approximately $150,000 in free publicity. Even more important were those 55,000 booklet requests. They generated 55,000 names of potential customers for their other services.

Anyone who sent for that booklet was interested in small business, and was a potential customer of I.E.A. Where else could you get 55,000 leads for your business for about $50? That’s what it cost I.E.A. to conduct that program -- $50 to print and mail that news release.

With a little thought, you can construct a new product news release just like I.E.A. did.

THE CONSUMERISM ANGLE

All businesses relate to consumerism in some way. Consider, for example, the construction business. Anyone in the construction business has consumer problems.

Before issuing any news release, look at the market. A contractor’s market might extend throughout an entire city. How can he use consumerism to aid his business?

He needs to analyze what bothers his customers most. If you were going to hire a contractor to remodel your house, what would be your biggest fears?

1. Shoddy workmanship;

2. The contractor’s dishonesty; and

3. Whether or not the contract protects you as it should.

A contractor could help consumers and build his business by developing a brochure, ‘How to Avoid Being Ripped Off By Contractors, or The Do’s and Don’ts of Choosing Construction Contractors.’ It doesn’t have to be a fancy, detailed booklet -- it could be an 8 1/2” x 11” sheet of paper with a checklist of 15 or 20 ways consumers can avoid being ripped off.

In ten minutes, most contractors could write out thirty ways to avoid being ripped off and explain step-by-step how to get the best deal. This information could be printed and folded at a local print shop, and a new product would be created. The next step would be to develop a new product news release for whichever medium reaches his market.

Contractors deal with an entire metropolitan area, so every newspaper -- both major metropolitan dailies and local suburban newspapers -- will reach this market, as will radio stations. You could send out a news release about this pamphlet to local papers, radio stations, and TV news directors -- anyone interested in consumerism.
In the case of local newspapers, you would send it to the editor of the Home or Building sections, or to the city editor, who would funnel it to the correct section, possibly the real estate section.

In the news release, you would offer free copies of the booklet to anyone who writes in or stops by the office.

The news release will be printed often because it relates to consumerism. If you give editors what they want, and give the market what it wants, they'll give you the publicity and response that you want.

Some people will write or call in for the brochure simply because it's free, but most who request brochures are thinking about remodeling. These are leads.

A program like this can go beyond the media. A contractor could call a local homeowner's association and offer a presentation on how their members can save money. These associations are not interested in having a contractor come out and pitch his company. But they are interested in having a contractor tell them the do's and don'ts of picking contractors. He becomes a good guy. He won't get all the business, but if any of those homeowners are thinking about remodeling, they'll think about him, because he has been honest enough to tell them about the construction business. After all, he is trying to help them avoid expensive mistakes.

That's the only way to use 'consumerism.' You are all capable of doing similar things.

What are your customers afraid of? How can they be protected from financial traps? How can you help them? How about a Realtor, an auto repair specialist, an auto body worker, or secretarial service? What type of consumer brochure might they put together?

Think of ways to save energy and cut costs that relate to your business. News releases are a terrific way to publicize a product or business. The principles remain the same, regardless of the product or service.

TARGETING NEWS RELEASES

Where do you send a news release?

A Realtor opens a new office, or hires a new account executive. There are two 'new' news releases. Opening a new office is no more than a new product news release.

The first question the Realtor should ask is, 'Where is my market?' A Realtor usually services an entire city. He needs to reach those who want to buy or rent homes within that city, so he should send that release to the editors of all the real estate sections of all local and suburban newspapers in the city.

Extend the concept a bit further. Suppose you sell records, and you sign a new artist who is releasing a new record.

First, ask the magic question, 'Where's my market?' Send a news release to industry trade papers, such as Billboard, Cash Box, and Record World, which report the names of artists and the companies that have signed them. In the music business, if you sign an artist, you send a news release to trade papers because program directors and station...
librarians -- those people who select the records to be played -- read the trades. They're part of your market. You must familiarize them with the name of your new artist.

How about the entertainment pages of daily newspapers nationwide? An artist simply signing with a label is not of great interest to the entertainment pages, unless the artist is well known, or has an unusual background, or has composed and recorded a different type of song. But because many record buyers read the entertainment pages, you're reaching your market.

Suppose you start a unique service to insurance companies, such as a secretarial service where all the secretaries have insurance backgrounds. When a company calls for part-time help, your people not only can do the work, but also they don't need specialized instructions before they start -- they already know about insurance.

Where would you send a news release in this case?

First, to the insurance industry trade publications. Second, to the business pages of the local and metropolitan newspapers.

The answer is easy if you have a clearly defined product that goes to a certain section of a publication, but many people have products that don't quite fit in any one section, that are not as well-defined as real estate, entertainment, or insurance.

Pick one section editor of the publication who you think would be most interested in your news item, and send him one copy. Then send a second copy to the city editor of that same publication. The city editor, if the release doesn't apply to his area, will forward it to the correct section.

News releases can be sent to every magazine, newspaper, and television station that reach your market. The editor of one newspaper knows that the release you sent him has gone to his competitors as well. It does not matter. The only thing that counts is the correct hook or angle.

ZEROING IN

How do you reach national magazines and trade papers?

Bacon's Publicity Checker is one of the finest resources to determine where to send your news releases because it lists all trade categories.

For example, if you wanted to find all the publications in the music field, under 'Music,' Bacon's lists the names and addresses of every trade publication that caters to the music field, along with the name of each editor. But don't use the name of the listed editor, as editors change frequently. Call first, or just address your news release to 'Editor.'

Bacon's also lists the names and addresses of every major newspaper in the United States, the names and addresses of every major wire service and syndicated columnist, and the names and addresses of every major national magazine.

Bacon's also has a code at the bottom of every listing that tells you what kinds of news releases each publication uses, so you never have to waste effort. If you have a new product news release for the insurance industry, look up 'Insurance' in Bacon's index, and you'll find about 25 different publications -- and you'll also find which ones use new
If you have problems getting purchasing agents to look at your product, Bacon's lists 37 publications under 'Purchasing' that reach purchasing agents. Every one uses new product news releases. It's a way to get your foot in the door. Bacon's is available at most local libraries. (They have an office in Chicago -- (312) 922-2400; Bacon's Publishing Co., 332 S. Michigan Ave., Chicago, IL 60604.)

There are several other books that can help you zero in on your market. Working Press of the Nation breaks the media down into magazines, newspapers, syndicated columnists, TV, wire services, and the trade publications. It gives names and addresses of each publication, plus the names of the editors. (Again, don't use the names of editors without checking. There is no guarantee that the names are current.)

Many companies like General Motors have put Bacon's on computer. Whenever they have a product news release, they just punch a button, and out come the mailing labels for the release.

Start a file of media names and addresses, and update it frequently. It can do amazing things for your business.

A CASE HISTORY OF THE KETCHUP KING

Al Fluster was a 60-year-old retired postal worker who had an idea for a new product back in 1977. Al's only problem was that he didn't have enough money to manufacture it, nor did he know how to market it. However, Al felt strongly that there was a market for his product, 'The Catchall.'

The Catchall was designed for restaurants and housewives, but he needed a way to reach them. How could he tell them about the Catchall, and even more importantly, how could he determine if there was really a market for his product?

First, he had a prototype made of the Catchall, then he wrote a new product news release about it. He realized it was hard to visualize the product, so he photographed it. The Catchall was a 2- or 3-inch high funnel that ran between two ketchup bottles so the remnant of an old bottle would drain into a new bottle.

Al put a human hand in his photograph so editors could get a better idea of how big the Catchall was. He then had both the news release and the photo professionally duplicated.

The next problem was how to reach his market -- restaurants and housewives. He felt every restaurant would want his product because it answered two needs: 1) waitresses no longer had to shake the last drop of ketchup out of the bottle, and; 2) the restaurant no longer wasted any ketchup.

So, Al picked up a copy of Bacon's Publicity Checker, looked under 'Restaurants,' and found 60 different publications that went to restaurants and restaurant companies. He picked the largest, National Restaurant News, called them, and found that they didn't have a new products editor, so he got the name of the editor who handled releases.

Al also found a number of women's magazines listed under 'Consumer Magazines.' The
code in Bacon's told him that several of them use new product news releases, so he called them and asked for the names of the new product editors. He then sent his news releases and photos (packed with cardboard to protect the photos) to the 60 restaurant publications and 30 women's publications, including Nation's Restaurant News, Good Housekeeping and Better Homes and Gardens. To those three editors, he enclosed this note:

Dear Editor,

I thought your readers might be interest in the enclosed.

Sincerely,
Al Fluster

He waited a week, then called the editors. He introduced himself and asked if they had received the release and the photo of his Catchall. All three had. He asked if there were any questions. There were none, so he thanked them for their time and hung up.

What happened? A few weeks later, Nation's Restaurant News printed his news release, ran the photo, and included the price and where it could be obtained. Within two days, Al received calls from three of the largest restaurant companies in the United States. One was International Food Service, which owns restaurants throughout the country. They asked if Al could custom-design a Catchall for them, and put their name on it. He received enough orders from International Food Service alone to set up his business.

Better Homes and Gardens and Good Housekeeping also printed his news release and photo, resulting in thousands of orders.

Al became one of the most successful manufacturers in the country, making a variety of plastic products for the restaurant industry, and his entire business was launched through a news release that was written and handled professionally. His cost was $150. For $150 Al Fluster got into the manufacturing business.

If you are in the manufacturing business, you know how competitive it is. Could you get into it for $150? Al Fluster did, and his company grosses nearly $1 million a year.
The salespeople that will put you on the map are hard to find. You want to build a sales staff of greats. They do 80% of the business. They usually number no more than 20% of your force. You have to improve that percentage.

Recognize that for every ten sales people you hire only one or two will be great. You may keep some of the rest but if you analyze it carefully, some of them will be costs. This will be especially true if you’re spending big money to generate leads. A mediocre performer will not capitalize fully on those leads. Poor sales people are no more than costs of doing business. You need to cut them and upgrade your force.

Hire and fire. If you have a formula that works, enough leads, a good percentage of your sales force making you money, and you can replicate that for other sales people, then roll it out. Hire and fire.

Jay Abraham gives a few comments on sales.

Here are some guidelines for getting the most from your salespeople:

* Make sure salespeople understand that you won’t settle for less than a 100% commitment from them. If your sales reps aren’t the best salespeople they can be, they will never sell at their maximum potential.

* Encourage reps to emulate a top-selling sales rep. By using a respected, high-performing salesperson as a role model, sales reps can pick up the techniques that lead to success.

* The sales rep should develop a pre-call selling plan which is based on the known characteristics and needs of each specific customer.

* Reps should attempt to encourage buyers to discuss their problems and needs. Once the salesperson can get buyers to talk about their problems as they relate to the product, the sale is practically made.

* To generate repeat business, your salespeople have to demonstrate to buyers that they are better than anyone else at fulfilling needs and solving problems.

* Reps should have quick access to information -- both from within and outside your company.

A PROBLEM-SOLVING APPROACH CAN DRAMATICALLY INCREASE ORDERS

Being bright and articulate and able to answer all the questions your prospects ask are
qualities that provide you with a good foundation, but they're not enough. Salespeople need something more -- they need to be conscientious listeners so they can help prospects solve their problems.

The first step toward understanding the problem-solving method is answering a very basic question: What are you selling? Some would say they are selling a product. Others would say they are selling themselves. The answer is that you are selling solutions.

Using the problem-solving approach, the customer and salesperson work together toward a common goal. The salesperson's objectives are profitable selling and customer satisfaction. Everyone derives benefits. Using the problem-solving method, salespeople must also learn to be service-oriented, not just sales-oriented. Salespeople need to be friendly, helpful, straightforward and ask more questions than they answer. They need to use questions to guide the conversation and then listen more than they talk. Listening and understanding the customer's needs will help you sell. Your ears are more important to selling than your mouth.

PUSHING YOUR SALESPERSON'S 'HOT BUTTON'

Most sales managers claim to use motivational talks, sales contests, compliments and other techniques to motivate their salespeople. However, what motivates one person on your sales staff may not motivate another. The sales manager should attempt to find the 'Motivational Hot Button' of each person on the sales staff.

The seven motivational forces to which people respond are:

* Acceptance: People want to be reassured that they are needed.
* Accomplishment: They derive pleasure from a task completed.
* Environment: They have great desire for pleasant surroundings and friendly associates.
* Recognition: They need praise.
* Responsibility: They want authority.
* Security: They are deeply concerned about the future.
* Status: Status symbols impress them. They want status.

YOU NEVER STOP LEARNING

Since selling is becoming increasingly expensive the productivity of salespeople is a growing concern. To encourage increased productivity, stress professionalism through study.

Point out that professionals, such as doctors study to keep abreast of developments in their fields. Ask that your salespeople read a book each month about salesmanship. Ask them to report on what they've read and learned. Some people may balk at doing
TIPS FOR COACHING YOUR SALES FORCE

Seven rules for coaching sales forces:

1. Don't criticize. Instead, provide salespeople with 'how to' advice. Repeatedly tell them what you like about their performance.

2. Build their self-confidence.

3. Ask questions. By asking questions, the sales manager gets the salespeople actively involved.

4. Build on your strengths. Take advantage of training materials that might help struggling salespeople.

5. Pressure the salespersons to evaluate themselves. This is the first step in getting salespeople to train themselves.

6. Always come to an agreement about what corrective action to take to improve.

7. Keep records. Set specific standards of performance and make sure they're being met within stated time limits.

MAKING THE MOST OF REJECTION

Salespeople should learn to see rejection as a challenge. Here's how I've learned over the years to 'cash in' on rejection:

1. Find out why. A rejection can be educational if you find out the reason -- be it logical or frivolous.

2. Find out if the competition is meeting the customer's needs, and learn how. It is crucial to identify, pinpoint, and satisfy customer needs. Have a response prepared for rejection.

3. Exit gracefully from a non-productive sales call because time is the salesperson's most important asset. Identify sales calls that are mistakes.

4. See the interview from the buyer's perspective. Listen 'between the lines.'

5. Leave the door open. Try to end the sales call on a positive note.

SIX KEY STRATEGIES FOR DEALING WITH REJECTION

1. Divorce your ego from the sale. Remember that the prospect is not
attacking you personally.

2. Realize that the 'intimidating' prospect you are facing may have a lot of problems.

3. Don't automatically assume the problem is on your end.

4. Plant a lot of seeds. Salespeople who generate a lot of activity have little time to mourn over the loss of one sale.

5. Anticipate rejection so you won't be overwhelmed by it.

6. Give failure minimal attention and keep on calling.

ELEVEN TOP-NOTCH SUGGESTIONS TO IMPROVE YOUR LISTENING SKILLS

1. Let your customers tell their stories first.

2. Remember that you can't listen and talk at the same time.

3. Listen for psychological needs. These are needs other than what the prospect may mention.

4. Listen for the main ideas. What is central to the prospect?

5. Don't lose concentration and miss the speaker's main message.

6. Take brief notes regarding important data.

7. React to the message -- not the person. Don't allow your mental impressions of the speaker to influence your reaction.

8. Listen selectively. Listen in such a way that you can uncover hidden messages.

9. Relax. When the prospect speaks, try to put them at ease.

10. Don't criticize your customer's point of view.

11. Listen attentively and ask good questions.

BEGIN BY CLOSING THE SALE

The old books on selling usually defined 'closing' as the last step in the selling process. Some salespeople dread this part of selling. Some firms even employ a 'closing specialist' who accompanies the field sales representatives when they need help closing specific deals. Closing begins when you state your first sales benefit or advantage. Closing is actually a process of explaining how your product's advantages will benefit the prospect. A key sales technique is to get the prospect to state agreement on several crucial points.
• The benefits are clearly understood.
• Benefits apply to the specific situation.
• The benefit is desirable.

If your first sales point is powerful and well-received, try to get a purchase commitment from the prospect. Don't proceed to your next benefit until you get agreement from the prospect on your first claim.

HOW TO HANDLE THE FAILURE SYNDROME

The first step in selling is feeling successful. You can't lead a cavalry charge if you think you look funny sitting on a horse. Salespeople who feel successful help everyone around them share those feelings.

Salespeople lose the feeling of success the moment they try too hard to sell their ideas, when they try to push their ideas through resistance. Even experienced salespeople sometimes forget that selling is problem solving -- meeting other people's needs as well as their own. Sales begin with the customer's objectives, not with the product. Selling requires thinking from the customer's viewpoint and always thinking in terms of solving problems for the customer.

Mental toughness is 50% of selling. Salespeople need to create and maintain the right kind of focus regardless of the obstacles they encounter. If you're confident, you can stay focused on the customer.

Here's powerful information from Sales Wizard, Jim Cecil.

"What I want to give you is a recipe that you can use if you have a problem in selecting salespeople. There is a process of selection, of recruiting, attracting, selecting and training salespeople. You can stop turnover dead in its tracks.

In order to know how to select salespeople, it's important to understand them. How do you diagnose the problem to determine whether it's the product, the price, the marketing, the medium, the offer, the timing, or, in fact, is it the harvesting that's causing the problem? And it may be all of those, and each of those have a different problem and a different solution. I want to discuss harvesting. One way you might want to look at this is: 'How can I determine if in fact I have a deficient sales organization?'

About four years ago, I had a client who asked me to take a look at a selling organization's plans for West Coast distribution for a shipping line out of Japan to capture the Asian trade. They wanted to know what would be the proper channels of distribution: Should they put in a field sales force with branches and managers; or should they use rep firms; or should they use telemarketing? What would be the best strategy? And I didn't know. I called two behavioral psychologists at the University of Texas and asked them what was going on in this decade of selling that has changed? What was different? And they started me on this process that I call, 'precision selection of salespeople.' This allows us to understand, before we hire, exactly who we need and exactly who we're getting.

I want to give you a fast overview on recruiting. Even if you're an organization of one person, or you're a corporation with hundreds of thousands of salespeople, the same principles apply. Fundamentally there is a market, and there is a product, and there is
a necessity for a live communicator of some sort to sell the product.

CONSTANTLY RECRUIT SALESPEOPLE FOR YOUR FORCE

So, Step Number One is to recognize in sales managing that recruiting is a continuous process. One of the problems I find in companies is that sales managers think: 'As soon as I get this sales force up to level, and up to speed, I can then go. 'Whew! Got that taken care of.' I call that the 'suicide wish.' Because a sales force is constantly in flux. We do make mistakes in hiring, and those mistakes have to be recognized and changed.

And, more importantly, people come to work for us with a different agenda than ours, and they don't come in with a lifetime promise. They may only come on board for six months or a year, find out what they can from us, and then go on. So, recognize that turnover is a fact of life -- the ability to see that and take care of that is a major breakthrough. Also recognize that recruiting and selection is a technology.

In recruiting and selection, you must come up with a strategy that says: 'I know exactly what I'm dealing with. I know what I need in salespeople. I know what kinds of salespeople I need. I know exactly what compensation plan will work best. I know what support programs work best, and I have a system.' Now, that's precision. And you can do it for a one-person organization or for a multinational group of thousands.

Recognize that there are some people who love to sell and some people who hate to sell. Only hire those people who love to sell. I tell sales managers: 'You don't have to have a master's degree in sales management to figure this out. All you have to do is watch behavior.' If the person that's working for you would rather talk about, think about, plan about, write about, do almost anything about other than be about selling, you have somebody that would rather not. That's an observable phenomenon. Look at the number of calls they make. Great artists have died, starved to death, because they would rather paint than sell.

And it's been my experience that when you get around great salespeople, you'll usually find those people selling. Some of these salespeople almost have the same process that a runner has, that if they don't get their run in today, they'll feel sick.

Observe what salespeople do. There's something I call the 'unwilling behavior.' Listen to salespeople. When you hear them start complaining about the company and the product and the market and the advertising and the lead generation and the support and compensation -- guess what you're hearing? You're not hearing sales behavior. What you're hearing is unwilling behavior.

You're hearing people saying, 'If you get the world going my way, I'll get on the train. But until that happens, I'll make it your fault. I'm failing, but I'll make it your fault.' Slug behavior. Watch the trail of slime that develops behind them.

OFFER A DESIRABLE PAYOFF TO YOUR SALES FORCE

Step Number Two in success and recruiting is to offer salespeople a payoff that they really want. Everybody has an outcome in mind. Some people want education, and they're willing to attach themselves to an organization just to learn the industry, or to learn selling. And if you have an opportunity to train, you can do a great deal with those
people.

Other people want an opportunity for instant income. They don't want fixed salaries, they want to be paid only on their results. And other people want to have a daddy. They want somebody to take responsibility for their life and to take them through every step of the process.

And all you have to do then is examine how you operate, and understand how they operate, and see if you can match those two together. That's the simple part. You don't need science to do it that way.

First, figure out who likes to sell and who doesn't like to sell, and second, observe their behavior. Find out what they did on a past job, because the probability is that they're not going to change behaviors very much. You cannot change somebody until they're ready to make that change.

PROFILE THE JOB AND THE EMPLOYEE

Step Number Three: Is your organization going to be a climate in which that kind of person is going to flourish and be successful? You cannot take a tropical plant and put it in the Arctic and expect it to survive. Consider your sales reps...

Number one, many of them want independence, and those who want independence require self-discipline. And you can find that out without any scientific testing. Just find out if in their past jobs they exercised discipline to get a result.

Number two, many times the opportunity that they're seeking requires more risk than they're willing to invest, and that's why you hear people saying, 'I'm willing to work on commission, but I've got to have a $4,000-a-month draw.' I think all selling is straight commission at its heart. That's why I love selling so much. It is the most measurable of all the marketing steps. I either sell or I don't. I either produce a result or I don't.

Number three, there is a group of people who want security, and they will trade loyalty for that security. Unfortunately, they rarely become high achievers.

In the last five years, some great universities, notably UCLA, and the Universities of Arizona, Iowa, and Colorado, have been working on psychological profiling instruments that now make it possible to determine, well in advance, exactly what personality style and behavioral process you're going to see six months ahead on the job. There's an interesting development in selling, especially in the interview process. Somebody wants the option on every job interview they go on. Even if they don't want the job, they want the offer. Do you agree with that? And the company that's hiring wants the person to want the job. Even if they don't want to hire them, they want them to want the job. And both parties are trying to get the option on their side of the table.

Here's what happens in most situations. Most companies utilize a hiring process that's very quick. They go 'O.K., let's see. Breathing regular, appropriate number of eyebrows, good-looking kid. Let me tell you about our company.' And they immediately go into a sales job. By the way, the fastest way I know to scare a pro off is to start selling before you have examined what they are. If you do get a pro, and that pro walks into the interview, and immediately the manager starts selling -- the pro's going to think, 'He knows nothing about me. This job could be had by anybody. It isn't a place where I
want to work. I'm looking for someplace special.'

The biggest part of salesmanship and proper selection is diagnosis -- knowing what's going on. So in the profiling, then, it's possible to profile a job. You've got components that are going on in any sales situation. You have a behavior package. All of us have developed a set of behaviors, sort of like a 'modus operandi' that, by the time they get into business, we operate on most of the time in our lives, and we don't change it very much.

And behaviors, by the way, can be measured. How I behaved on the last job is probably how I'm going to behave on this job. The old way to determine behavior was to do a good job screening, and checking with other employers. That's getting more difficult now, because a lot of people have a vested interest to not reveal their past employees' performance to you, and a lot of companies have corporate policies against it.

Profiling the employee is now possible to do with scientific instruments. It is possible to test the brain of a human being to determine what facets of personality are going to be built into their operating system that you're going to be seeing continuously. So if you can profile the job to determine exactly what behaviors you need on a job, it then gives you something to hire with. A matrix, if you will. If you know, for example, that you're hiring hurdlers, you'd probably look for muscle in the lower body, rather than a weight lifter's body. It's the same thing in hiring salespeople. Some sales jobs require an enormous amount of cold calling. Others require a tremendous amount of teaching and nurturing. And still others need compellers, people that can close a sale.

And so, in this process that I was talking about, these psychiatrists from the University of Houston discovered that there were really three sales personalities. There was something called 'the engager,' something called 'the assurer,' and something called 'the compeller.' Everyone falls into one of these categories.

Let me put you to rest for a minute, by the way. Just because your salesperson (or potential salesperson) happens to have a dominant behavior strategy for one of those three doesn't mean that he can't do the work of the other two. All it means is that if he stays on autopilot, he'll do most of his work in one of those three areas. But if he wants to wake up, he can get himself to do anything. See, necessity is the mother of behavior.

**Step One: Profile.** Know what the job is, know what kinds of people you need for that kind of job, and set up a system of measurement so you can pick the diamonds in the rough out of the lumps of clay. And then you can write a 'Help Wanted' ad. Profiling, knowing what you need, is the biggest step.

**Step Two:** Write an ad that attracts those kinds of people. Writing an ad that appeals to the values of that group dictates that you will probably get the kind of response that you're looking for.

**Step Three:** Recruit. Recruiting is different than attracting. Attracting, by the way, is principally advertising. But recruiting is a multiple process, and I believe sharp managers are constantly recruiting. Walk through the shopping malls, and take a look at the people in the retail stores who seem to have a certain brightness about them. They're bright, they're quick, they're alert, they seem to be persuasive, and they seem to have a warm personality. Recognize that you may be spotting a diamond in the rough. People work bizarre hours for very little pay here. And many times they can be converted into great salespeople, working for you, very easily.
I'm always surprised at how sales managers say it's tough to find good salespeople. There are good salespeople everywhere, and most salespeople are mistreated. They're either mismanaged, undercompensated, undertrained, or they're under-rewarded. So if you can become better spotters of talent, you can help solve problems.

The selection process, then, says you know what you're looking for and you have secured an abundant number of candidates so that you are in a position to select the diamonds in the rough. Then train, develop, measure, and terminate.

Now, in the selection strategy, the key issue is to recognize what you need in this job. If you need a software developer, you may need a different mentality than if you need someone to answer the telephone and take casual questions about availability. It's understanding what degree of core intelligence is needed.

PLAY OFF YOUR SALESPERSON'S VALUES

Of all the components in selection and sales, intelligence is the least important, in my mind. We know that every human being operates on an unconscious set of values. Values fundamentally are a description of what we will trade for something we want. What I value is what I will trade for. If I value anything you have, I will trade you my time, my money, my knowledge, and my resources for that. That's a value.

Behavioral experts believe in business that human beings have six fundamental values. We have a value of the 'need to know.' There are some people that must know a great deal in order to be satisfied. A professor, for example. Knowledge is the senior value for them. They take less money to be in an environment where they can learn.

There is an economic value that people have about work.

For others, it's the value of Individualism. They'll take a job because it gives them freedom of action at less pay than a job that is more confining.

Value number four is altruism. That is, the need for love. How I behave is based on getting feedback that I am valuable. Recognition, love, and making a meaningful contribution to someone else is a value called altruism.

There's another value called power. Some people work in order to gain power over other people. It gives them a feeling of safety and security.

And finally there are people that can only work in a structured environment. They like to have rules, regulations, and deeply detailed plans.

See how those values are? Let me tell you why some people are driven to do what they do. They know that values are implanted in us, probably by our parents. They've always believed that values are implanted pre-logic, that is, under the age of five, and they now know that most of our values are implanted pre-verbal, before we're even able to articulate. The values become an unconscious ruler of our lives. Values are really what cause us to do what we do in our lives.

Let's take a salesperson, for example, who was trained as a child that getting love was safer than being effective. Keep your mouth shut, and smile, and that gets you safety. Not effectiveness, not producing, not being intelligent or being better or faster or quicker;
but being quiet, or being lovable. Women in our culture are sometimes trained that way. They may grow up with a high altruistic value and a low economic value. I see this all the time. I see highly-skilled salespeople who are continuously short of money or short of success, and once you analyze their values you’ll discover that what they’re doing is responding to this inside, unconscious, hidden drummer called values.

Here’s a sales rep starting the day, and sitting at the desk (I always visualize them as being in a trance). They’re not really thinking about the day. The day’s going to kind of flow, because there’s no plan, there’s no strategy, no discipline, and there’s nobody pushing the sales rep. I always think of these values as a board of directors that are meeting somewhere down in the gut. And they’re saying:

“Well, what are we going to do with Jim today? What options does he have? He’s going to make some prospecting calls, and he’s got some customers that are upset, and he’s got to deliver a couple of proposals. What’s he like? He likes to be loved. It’s the most important thing to him, to have people recognize him and appreciate him and tell him how important he is. Well, how about economics? No, he doesn’t need that, he’s getting by, he’s getting his draw. If we send him out on cold calls, what happens? Nineteen out of twenty are going to cause him pain. We don’t want that, good Lord, he starts drinking, he gets upset and stressed. What if we send him out on the customer calls? He loves that. People just adore him, they thank him for coming by and going out of his way and helping them solve these problems.

So guess what the ‘values team’ has him do today? Since the unconscious is operating the system, the unconscious moves that person every day to do those things that get love. I’ve rarely found that the things that get you love get you money. Especially in selling. Customer calls are important, and they are part of future business, but today’s business is about new relationships.

When you hire someone, you’re really hiring three things. Number one: you’re hiring base intelligence. You’re hiring experience and knowledge and education -- a number of factors you can measure. You can measure how many jobs they’ve had, what kinds of jobs they’ve had, how they’ve performed on those jobs, and whether or not those jobs are related to what you’re doing.

You’re also hiring behavior.

And the third component is values. And of all of those three, in my mind, the most significant of all predictors of behavior in the future are the values.”

WHAT TO LOOK FOR IN A SALES PERSON

In order to sell efficiently you must be able to establish a rapport with other people. That means that introverts, shy individuals or people with serious inferiority complexes may not fare well in sales. Extroverts with good personalities and high levels of self-confidence make the best sales men and women. However, a person can be shy in a crowd, backward in front of a group or of a quiet nature and still be good at sales because it’s all what happens one on one. Can they make friends, get a rapport going and build confidence with that one person? In a sense this type of personality is in control of the relationship between seller and buyer. They lead. They give direction. They are in charge. They control.
Frankly, I'm not sure you can teach that ability. Furthermore, I'm certain you can't teach the second most important aspect of sales success, which is hard work. Most people tend to be lazy. You can hire ten great extroverts who can establish rapport and be in charge throughout a sales call, but only a few of them will make calls consistently over the long term. Many of these people experience immediate success, then lack the discipline to perform steadily. They waste time, reach an income level that's satisfactory and never fulfill close to their potential. They drive the sales manager crazy.

A third requirement is the ability to think big. Many sales people ask for orders in line with what they can afford to buy. So if you have a great sales personality and that person only tries to close little deals, you have a wasted talent. You can ultimately teach the ability to think in bigger terms and sometimes experience makes a small hitter grow. However, this can be a drawn out process. This problem ties in to some extent with a salesperson's income expectations. People who want to make a lot of money usually do bigger deals. So always find out how much money your sales applicants want to make.

Another quality that some great sales people seem to have is a touch of larceny in their hearts. They are cons. They can talk people into anything. These people are fine to hire. You just need to train them to be honest and the minute they break the rules, jump all over them. Keep them on a tight chain and sharply discipline them when they speak with forked tongue. Initially, they will test the limits of your system but after you spank them a few times, they settle in and follow the rules. A few, of course, are incorrigible and you must fire them.

Alcohol and drugs are always the enemy of your sales force and affect it's efficiency. Some big producers can have a weakness for chemicals. Too much success can also corrupt individuals and turn them towards these devices. You need to closely monitor such abuses. Let it be known you don't tolerate them (especially on the job) and have counseling and treatment readily available.

A great sales person is rare indeed. There are no perfect people for this job. All have drawbacks. The biggest producers can be difficult, egotistical and hard to manage. To build a great sales force you must develop an eye for talent, treat your people fairly and let them make a lot of money.
In this chapter we boil down Jay's views on barter.

"Some of the most exciting (and most profitable) ventures I've engaged in have utilized barter. I'm not talking about basic product-for-product transactions, but ingenious derivations.

Barter sounds like extremely sophisticated stuff but that's not true. Virtually any person with a sound understanding of value can become a barter profiteer in a matter of hours. The rewards can be astounding.

THE ADVANTAGES OF BARTER

With barter you can:

1. Enjoy up to 80% cash savings on your purchases.
2. Acquire needed items with money you've already spent.
3. Finance major purchases interest-free for up to two years, and get the purchaser to carry the paper at a discount.

And that's just the beginning!

If this sounds like hyped-up promotion, it is not. Incredible profit opportunities exist for the astute practitioner of sophisticated barter.

DETERMINE YOUR BARTER LEVERAGE POSITION

First determine what your barter leverage is. Suppose you own a company that manufactures or sells a product. As long as there is an established market for your product, you've got the basis for building a profitable barter opportunity.

Perhaps you run a mill that makes carpet, or a plant that manufactures furniture and accessories. The items you create in your factories cost you a fraction of the retail price, right?

So, make up a list of all the goods or services you need or want for both your business and your home. You may need new office equipment: typewriters, dictation equipment, or new heating units for your office. Once you've determined exactly what you need you're ready to begin bartering -- and profiting -- greatly.

START WITH THE OBVIOUS

Start by going to the most direct and logical prospects first, and proposing a direct
exchange of your goods or services for theirs.

Let's say you're trying to get office furniture and your business is air-conditioning sales and service. Go through the phone book and call every retailer of the furniture you seek, introduce yourself and your business. Tell the owner of the furniture store (always speak principal to principal) that you need nearly $8,000, (or any amount) worth of furniture to revamp your office. Tell him you'd like to trade an equal dollar amount of air-conditioning equipment and service for the amount of furniture you need, would he be interested?

Be sure to stress that you seek to trade for retail value and not necessarily the discounted price that the furniture dealer may be selling the furniture for. Dealing on a retail or suggested retail price basis is an excellent way to effect most trades. Why? The reason is very simple -- markup. Most retailers have a minimum of 100%, and oftentimes up to 300%, at full suggested retail value.

Unfortunately for them, our ultracompetitive society usually prohibits ever achieving such lavish profit margins, and the furniture store owner must content himself by earning a still-respectable 35%, 40%, or 50% markup. But when you come to him offering to trade $8,000 worth of air-conditioning equipment for an equal dollar value of retail furniture, at full list price, the dealer immediately sees the opportunity of making that 300% markup on the transaction.

Whether he presently needs the air-conditioning items or services now really doesn't matter, as long as he is persuaded that he will be able to use these items or services in the near future.

OFFER UNLIMITED TIME/DATE USE

Herein lies a very important secret to effecting exchange transactions. Whenever you require something right now, and the person or company you are trying to trade with doesn't need or want to avail themselves of your firm's goods or services right away, don't let the deal slip away. Offer the prospective trader this option: Tell him he can have unlimited time to take your goods or services and that he may assign the credit you are offering him to anyone else he may designate.

Now you have created rational and persuasive reasons for him to exchange with you. If he knows he uses approximately $2,000 worth of air-conditioning services a year, if he understands he can 'buy' these services from you at 35 cents on the dollar, and if he realizes he can pay for this air-conditioning with dollars he's already tied up in slow-moving furniture, he comes out smelling like a rose.

An astute business person would jump at that chance. Any person who would normally take the 2% early payment discount on an invoice should jump at the chance to pick up a 66% discount just for entering into a trade with you. Point these things out if he still resists the idea of barter.

If he is receptive to the prospect of trading, and concedes he will need the services you are offering in the near future, but claims his money is all tied up in the inventory he needs to sell, suggest two things: Perhaps he has a friend or business acquaintance he knows who can use $8,000 worth of air-conditioning services that he can sell immediately to a friend for $4,000 or more in cash. It doesn't take a shrewd mathematician to realize that this would yield our hypothetical trading prospect a nearly
100% profit and also provide him with much-needed cash.

The creative possibilities of such an approach are virtually limitless. Here are some ground rules you should always follow:

1. Insist on assignability for any item or service you ever receive a credit for.

2. Never try to trade your goods or services at anything less than retail value. Remember, the higher the valuation you place on the goods or services you trade, the greater the buying advantage.

**GO WILD WITH POSSIBILITIES**

Let's explore some unique profiteering opportunities. Let's say you are the manager of a very swanky restaurant -- the kind that charges $100 or more for a gourmet dinner for two...

Go through the Yellow Pages; call all the proprietors of every business dispensing high-class services or products, and offer to trade $X in restaurant credit for an equal dollar credit in their goods or services.

Tell them they can use their credit with your restaurant forever until it's used up -- but stipulate that you want to acquire your proceeds of the trade within the next few weeks. And stipulate assignability on both sides of the exchange.

After consummating the trade, place small classified ads in your local newspaper, offering to sell the recently acquired trade credits for 25% to 40% off. Let's examine quickly what you've just accomplished:

1. You've just bought X thousands of dollars worth of intrinsic value for food and beverages which, at most, cost you approximately 1/4 that amount.

2. By issuing a nonexpiring credit, you've assured yourself that the credit won't be frivolously used soon, but rather will be judiciously preserved by the recipient for many months -- possibly years -- thereby creating the equivalent of interest-free balloon-note financing for you to pay for your trade acquisitions.

3. By immediately turning around and liquidating the trade credit you received for 60% of face value in today's dollars, you end up making an immediate 200% or more on your money.

**TRIANGULATION -- THE HIDDEN KEY TO GREATER BARTER RICHES**

Perhaps the single most valuable technique for the creative barterer to master is the art of triangulation. Triangulation is the use of three separate transactions (or more) to achieve your ultimate barter objective. And while it may seem complex it is really quite simple.
Triangulation becomes invaluable when you cannot achieve your primary barter objective through the conventional two-party trade. Whenever you can't convince a barter prospect to accept your goods or services directly for his goods or services, triangulation can save the deal.

THE RESTAURANTEUR AND THE AUTO

Suppose you own a classy and prestigious restaurant that sells food and beverages that have an average gross markup of 500% over your out-of-pocket costs.

You'd like to trade food and beverage credits for a new car. Simple enough, until you approach the local car dealer, who has absolutely no need whatsoever for $10,000 worth of your food and beverage credits. If he refuses, don't give up.

Stop for a moment and analyze the car dealer's profit-or-loss perspective. Are there goods or services that can make the dealer more money? How about -- advertising! Most dealers spend between $5,000 and $10,000 a month on radio, TV, and newspaper. How can you use advertising to help you trade credits at your restaurant for a new car? Through triangulation.

SET UP A THREE-WAY TRADE

Approach all of the prominent radio and television stations in your market plus the local newspapers. Offer to provide them with restaurant credits they can use to 'wine and dine' their customers in exchange for advertising credits, which you have the right to assign. Since car dealers don't begin to have the same margins as restaurants, to make the 'triangulated trade' work, you must acquire at least twice as much advertising credit to offer the dealer.

So you trade $20,000 worth of restaurant credits, to be used as the newspaper or station sees fit, with no expiration date and with the provision that you can assign your newly acquired credits at any time. As long as your restaurant has a solid reputation, chances are good that the station will go for that trade. Then, with $20,000 worth of advertising in hand, you go back to the car dealer. But now you have a different barter proposition: In essence, you offer to trade him advertising time or space in exchange for the car, but at the rate of $1.75 to $1 in his favor!

You are giving the dealer $17,500 worth of advertising for a car with a retail sticker price of $10,000. (Why not the full $20,000? I'll get to that in a moment.) You're offering the car dealer something he can definitely use -- at a better discount than he can get. Chances are, he'll accept your deal. Why shouldn't he? You're giving him $17,500 worth of advertising credit -- something he would have to normally pay real cash for -- in return for a $10,000 automobile that probably cost him $7,500, max. The car dealer, who normally makes less than 10% on an all-cash new car sale, increases his profit by 233%!

FIND THE 'HIDDEN' PROFITS

But what about your 'hidden' profits? You traded $20,000 worth of restaurant credits (that, at most, cost you 1/5 that amount, or $4,000) for a $10,000 car, right? You bought your car for 40% of retail -- an unprecedented savings of 60% off the sticker price!

That's only the beginning. Chances are good you won't have to pay off on the restaurant
food and beverage credits for a long time. In essence, the radio station, television station, or newspaper winds up 'financing' your $4,000 purchase price for months or years -- at no interest to you!

If it's beginning to sound unbelievable, wait. It doesn't stop there. Since your prices are bound to rise over the next few years, by the time the stations or publishers start to use all of their credits, the purchasing power has been discounted. The longer the station or publisher waits to use up their credits, the less it will cost you.

By putting a three-year expiration date (or no expiration date at all) on the restaurant credits you provide, you may have actually discounted your already drastically discounted purchase price of the automobile by another 10% or 15% or 25% -- or another $1,000. Now that brand-new $10,000 automobile has cost you as little as $3,000 in 'hard' dollars -- and it's being financed, interest-free, for three years.

GET THE GAS AND INSURANCE FREE, TOO

But wait! Remember that you originally traded for $20,000 in advertising, but you only used $17,500. What happens to the remaining $2,500? You could go to other merchants and sell them the advertising credit at 65 cents on the dollar (a 35% savings over what they could buy it for direct), and get $1,625 in cash. That would be enough to pay all licensing and taxes on that new car, the first year's insurance premium, and a full tank of gas -- and still have a few hundred dollars left over! Or, you can use the advertising yourself.

I used restaurants, advertising, and cars only as an illustration. In truth, almost any conceivable combination of goods-for-services, services-for-goods, or any other variable can be used in triangulation to achieve your objective. Always identify the personal hot button of the person who controls the goods or services you want and then satisfy those needs.

SOME POSSIBLE VARIATIONS

Controlling the goods can be just as satisfying as owning the goods. If the car dealer won't trade outright for the actual 'ownership' of the new car, how about the use of the car for two years? Or a new demonstrator every two or three months for two years? I think you get the idea.
While this chapter is directed to professionals, Jay's advice applies to any business.

"A professional runs a business, just like a shopkeeper or a software consultant. As in any business the bottom will show a profit only if enough clients come through the door. The way to procure these clients is through advertising. Effective advertising does not have to be crass and commercial, but it must be used to get your name out to the public. If your name is not familiar to people, they will not come to you. Your fixed costs will literally eat up your business.

Advertising can be effective in bringing you new clients. If you expose your name to sufficiently large numbers of people, some of them are bound to need your services. But what kind of ad should you run? I recommend 'reader' ads, which not only place your name before your audience, but provides information that you have expertise in. The theme will vary from profession to profession.

Run a series of informative, educational ads with headlines such as: 'How to get the most deductions from this year's tax return.' Continue in a series of ads that provide a short course on the chosen topic in three, four, five or ten paragraphs. An on-going series of such ads establishes you as a source of reliable information on a variety of subjects in your field.

For example, a doctor would run ads providing capsules of information about common health problems, using headlines like the following:

- How to Reduce Your Chances of a Heart Attack
- How to Reduce Your Chances of Getting Arthritis
- How to Reduce Your Chances of Getting Cancer
- How to Enhance Your Longevity
- How to Avoid Catching The Flu

A lawyer can do the same thing:

- How Corporations Can Avoid Getting Caught in Lawsuits
- How to Write Agreements
- How to Avoid Collection Problems in Your Business

A dentist could run ads with headlines such as the following:

- How to Keep Your Teeth Forever
- How to Never Get Another Cavity
- How to Have a Mouth Full of Teeth When You're 70
- How to Avoid Root Canals
- Are Root Canals Really Necessary?
A financial planner can grab the reader with such headlines as:

- How to Become Financially Independent in the Next Three Years, Then
- Double Your Net Worth Every Five Years
- How to Out-Perform the Money Market
- How to Out-Perform the Stock Market
- How to Increase the Return on Your Investments
- How to Conservatively and Sensibly Invest Capital Gains
- How to Manage Your Money for High Yields

Write a corresponding special, more elaborate report for those who call or come in. Offer free counseling if the prospect wants to know more. Send them your special report plus a review of your practice, your philosophy and the kind of work you specialize in, as well as a couple of case studies. Case studies let the professional showcase his or her innovativeness and success.

At the end of the ad, offer additional information in order to develop a prospect list. Write a booklet such as ‘A Guide to Better Health.’ Write a nutritional pamphlet. Write a health plan for a family or their children. Offer a copy free to those who call or visit your office. If they call or write in send them details about your practice, the kind of work you do and your philosophy.

Try different versions of the offer geared to different applications. For instance, create a special report on women: ‘How and Why Women’s Health (or Legal) Problems Are Different -- How to Take Care of Them.’ At the end of this brief educational ad series, conclude with a specific offer. For example, ‘I have prepared two special reports entitled, ‘101 Tax Deductions You May Not Be Aware You’re Entitled To’ and ‘100 Tax Deductions Your Corporation Is Entitled To That You May Not Know About.’ A copy of each will be sent to you upon request. If I can be of help to you in answering any questions you might have after reading the reports, call me. I’ll also include information about the work we do, the clients we help and the solutions we prepare for businesses or for individuals.’

Always tie your ads to a specific offer. Then test which approach or version pulled the most responses.

After sending out the reports, your office should follow up. The caller might say, ‘Mr. Schmidt, this is Susan Smith, Dr. Gonzales’ assistant. He asked me to call and see if you received the report he sent and if you have any questions about it. He’s very busy but he would be glad to find the time to respond to any inquiry you might have. He also wanted to know if perhaps you don’t have a physician (or lawyer or accountant, . . .) that you are comfortable with. He has a very full schedule but he could include you if you wanted to come for a visit. We want you to know that he is available.’ Just a charming, non-threatening conversation.

You need to follow up constantly on the prospects you locate. Their names are on your mailing list. At three, four or five months intervals, send further information with another follow-up letter saying, ‘We thought you might be interested in this. Anytime you need the doctor’s help or counsel or you want to visit, we will be pleased to schedule you.’ Always be:

- Understated
- Service-Oriented
- Accommodating

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One of the most consulted books in the world must certainly be the Yellow Pages. Don't consider this very effective directory of professional services as merely a phone book. Many people consult the Yellow Pages first when looking for a service. And display ads there are very effective.

The critical concept in advertising is to set your name apart from the crowd. Don't consider a simple listing. That's fine if the potential client knows your name...but then they could look you up in the White Pages. You don't want people to call you at random. If you're a tax lawyer, you don't need phone calls from people in need of legal advice for a criminal defense. A surgeon does not want to hear from someone looking for a podiatrist...and so on.

Everyone has the Yellow Pages. And there is no question but that display ads draw more business than simple directory entries. So use your ad to its greatest effectiveness. Yellow Page ads should be value-oriented and offer risk transference. The headline for a doctor's ad could read: 'How to find the right doctor.' Offer anyone who calls a report on how to find the right doctor -- a doctor who cares, who's gentle, who's reasonably priced, whose techniques are right for you. Offer the first visit free for new patients. In the course of the body copy of the ad, tell people why you're doing it:

The doctor-patient relationship lasts a long time. We have a lot at stake between us; we make a commitment to you. When someone's embarking on what could be a lifelong relationship, it's worth investing a lot into it.

I'm not like other doctors. I don't ask you to pay me until you decide I'm the kind of doctor you want. Consequently, I've established a rule: the first consultation is free for every new patient. In other words, I'll buy you the first consultation.

During that time, I'll give you a full check-up. We'll talk about your medical history, your diet, your attitudes toward preventive medicine. We'll talk about my philosophies. I'll tell you about what I do. We'll see if we're philosophically harmonious, if you feel comfortable with me, if I speak your language. And if I do, then I invite you to become a patient. If you're unhappy or uncomfortable, you owe me nothing.'

For financial planners, this basic concept would be applicable. A financial planner's headline could say: 'Your first two-hour consultation is free.' 'There are a lot of financial planners in the marketplace. Many use confusing, technical words to conceal that they are trying to sell you stock, bonds or insurance. I'm not that way. I'll be glad simply to counsel you. You can buy from somebody else. Of course, I'll be glad to sell you what you really need. Depending on your needs, I may advise you against particular kinds of investments that I would profit from if that's not the best investment for you.

The financial planning relationship is a long and enduring one. It doesn't just happen. It's not a single two-hour session. It grows and endures, much like a doctor-patient relationship. Over the years and the decades, it becomes involved with complex and sensitive personal issues. It involves your life's financial achievement; your goals, hopes and dreams; retirement and estate planning; and what you want to bequeath to your children and your spouse. Unlike many financial planners, I believe that it's best to see if we're philosophically harmonious before we begin such an intimate and long-term relationship. I'd rather buy you the first two hours of my time with no obligation on either part. I may not be compatible with you. You or your goals may not be compatible
with my areas of expertise. I'll try to see if we have enough in common to develop a relationship.

'So rather than put us both at risk, I encourage you to call to schedule an appointment at your convenience. I make myself available on scheduled evenings, some Saturdays and occasional Sundays. During our consultation, I'll ask you a number of questions, the answers to all of which are confidential and will be shared only between you and me. I'll detail my basic philosophy and I'll ask you yours. I'll tell you what I think about certain investments and you tell me what you think. I'll try to ascertain the level of your risk orientation, whether you're very conservative or whether you like growth, whether you like dividends or whether you like income, your attitudes on retirement planning...the whole spectrum of financial issues in a nutshell.

'I'll give you strategies which you can use and benefit from, even if we never talk again. I'll tell you how I price my services. I'll tell you how I work with my clients. And I'll ask you if what I offer is something you really want for yourself. If you do, then we'll work out a plan for a long-term relationship. If you don't, there'll be no hard feelings. In leaving, I'll also give you something which will greatly benefit you: a report I've written on how to be your own financial planner. That's as fair as I can be. Since we are considering a long-term relationship, I don't want to make any mistakes. I don't think you do, either.'

EFFECTIVE DIRECT MAIL LETTERS

If you are a doctor who wants to attract new patients, define a neighborhood or geographic area that holds the most viable prospects you want -- they're close, they're affluent.

Draft a personalized letter similar to your ads. Obtain names from a local mailing list house and have a computer address them. But don't mass-produce them. Send fewer letters and avoid a large, impersonal mailing. The letter could say:

Mr. Smith:

You may be unfamiliar with me but I'm familiar with your community. Many people in this neighborhood are more concerned about maximum physical health than in other parts of our city. Why? Maybe they enjoy life more fully; maybe they already keep themselves in better health; maybe they treasure their bodies. Many of them come to see me and have asked for ways in which they can enhance their health. As a result, I've developed a report that you might profit from called '_____.' I'd like to send it to you. If you're already comfortable with a physician in the neighborhood, I'd still like to send it to you if you'll send back the enclosed card. If you don't have a physician, come to my office anytime and I'd be glad to give you the report.

In the meantime, although I have a busy schedule, if I can answer any questions I'll certainly find the time or have my assistant respond. If there's anything I can do for you, please call.

A letter like that is very simple, basic and straightforward to produce. A more complex package could feature a letter with an accompanying report, pamphlet or tape. The letter might say:
Dear Mr. Jones:

I've just presented a seminar at the local community college on the subject of cancer prevention. One way, of course, is to have regular check-ups by a physician you trust. Another is to modify your eating habits. But there are many other innovative approaches that most people never think about.

I've taken a liberty that I hope you'll appreciate. I've included a portion of the seminar text here. You might enjoy reading it. If you would like the complete text, call or come in and we'll give it to you.

This report presents some ideas, techniques and therapeutic methods which will enhance the quality, length and gratification of your life. It's my gift to you. If I can ever be of service in any way and you can benefit from me, I hope you'll call or visit my offices.

An accountant who wants to build year-round business might try this letter:

Dear Mr. Smith:

A person in your income bracket may have more complex financial needs than you recognize. Perhaps your current accountant hasn't realized or hasn't pointed out some additional services you could benefit from. Perhaps he hasn't shown you ways you could save on taxes. Perhaps he hasn't suggested tax-saving strategies that others in your income or professional group are currently taking advantage of. I am always disappointed when professionals only react and don't take time to care about their needs ahead of time.

Come December 31st, all the recommendations in the world won't help. The time to develop your tax strategy is right now. I have an advantage. My practice is busier than can be in November and December; right now I have free time.

If you'd like, I'd be willing to spend an hour or two with you for a modest consultation fee (or free, depending on what you want to do). We would examine your financial situation and review your last year's taxes. I will ask you a number of questions and, moreover, recommend some strategies. I'll do it as a service to you. I would be delighted if you wanted to retain me after the consultation, but don't feel obligated.

I've helped many people in situations similar to yours and I believe I could help you. Maybe more than your present accountant -- maybe less. I don't know for certain, but I would be willing to spend the time to see if I could. If I can help you, it could represent thousands or tens of thousands of dollars that you can put in the bank. Money you could save. Money you could invest. Money you could enjoy. And it may change your entire thinking about tax planning and investments.

I have some innovative ideas that are absolutely legal and ethical but that are much more dynamic than those of most accountants. My practice has grown because of these ideas. I'd like to share them with you if you're interested.
If you are curious, call or send in the enclosed card. My secretary will get back to you. Or come in at your convenience. But because I have a very variable schedule, I suggest that you arrange an appointment.

A financial planner could use this letter to reach prospective clients in his community:

Achieve financial independence in the next twenty years
PLUS
Five easy ways to overcome money problems
For the rest of your life.

Dear Mr. Smith:

The headline of this letter may sound audacious but frankly, it's true. As a practicing financial planner in this city for the last ten years, I've been able to show 500 of your neighbors and friends ways, means and techniques that have allowed them to structure a financial plan that will assure them of all the money they want for retirement or for vacations, for business investment, for a comfortable cushion of money in the bank, for their children's education, or for the exciting luxuries that they have dreamt about.

I often achieve these goals without changing a person's lifestyle in the least, most often with dollars normally paid to the government through innovative tax-sheltering strategies. Most people have no real financial plan and don't understand that, for no more money than they already spend on taxes, they could create more than a nest egg -- they could create financial independence.

I've prepared a report entitled, 'How to Achieve Total Financial Independence Long Before You Retire, Plus Have the Money for All Your Purposes From Here on Out.' I'd be delighted to send you a copy or sit down with you and explain my techniques in person.

My practice is located at which is very convenient. I keep normal business hours and am also available for evening and weekend consultations. If you don't have time for a personal consultation, I would be glad to show you a simple way to create your own financial plan. I have a form that's very easy to fill out which I'll be glad to send you, as well.

Enclosed is a card. Send it back to me and my assistant will send you the form and the report. Afterwards I'll follow up and see what I can do for you.

In the meantime, if you have questions or if I can be of any help, feel free to call me with no obligation.

NEWSLETTERS FOR YOUR CURRENT PRACTICE
AND TO ATTRACT CLIENTS

The best way to market is to educate, inform and service your prospects and customer base. The single most productive marketing tool is a newsletter. It's effective because it gives you a large amount of space in which to present vignettes of non-proprietary.
non-confidential case studies or to issue short courses or primers. In the course of
writing that newsletter, give the recipient the value you would render if someone paid you
$100 privately.

The newsletter should be approximately eight single-spaced typewritten pages, photo
offset. The inclination of shortsighted people is to titillate, hold back and provide full
information only when paid. I adhere to the opposite school of thought. Give so much
freely that it becomes apparent that you are the person to turn to when more extensive
information is needed. This strategy has two advantages:

1. It establishes credibility and expertise.
2. Human nature is by and large reciprocating. If you give something
   of value, the recipient has a tendency to want to reciprocate. The
   best way they can do that is to patronize you.

In your newsletter, write in on a one-on-one style. Avoid formality and technical
terminology. Write as if your reader were sitting across the sofa from you in your living
room. Tell them what’s going on in your practice, about innovations and problems in
your field. You might say, “I’d like to share an interesting or a curious story about a
particular situation.” and then tell stories that make you human. Tell them how you
helped somebody or how you solved a dilemma. Choose a common dilemma that could
apply to many of your readers.

Give examples and techniques that could help them in their business, their life or their
profession. Then present a specific offer. For example: a great many people are
concerned about a certain aspect of health, finance, etc., and as a response, you’ve
prepared a booklet, a report or a tape on the subject. Or that you have a session on the
subject at your office every Saturday and they’re invited to attend.

Make it clear that if they are already a client, you’re always available to consult with
them. If they’ve never used you, you’re always available for an initial consultation to see
if you can be of use to them. Encourage them to call, write or visit. Always enclose a
response card that they can send in for something that will maintain their interest and
keep this dialogue going.

A cover letter sent with the newsletter should be used to attract new patients or clients.

Dear Ms. Antonnucci:

My name is John O’Grade. I’m a doctor (lawyer, dentist, etc.) in your
community. I have developed a substantial practice. My clients enjoy receiving
the monthly newsletter that we publish. It’s informative, interesting and helpful.
We’ve enhanced people’s health (or financial or legal situation); we’ve been told
that people have saved money using it.

I don’t know if we could help you, too, but I thought you might enjoy reviewing
a few copies. I’ve arranged to send you a copy with my compliments for the next
three months. I hope it helps you, that it’s valuable, that it warrants your
spending five, ten or fifteen minutes a month reading it. Most of all, I hope it
makes you reflect.

After reading it, if you feel that I could be of service to you, I would be delighted
to discuss your particular situation. Arrange an appointment and I will be glad
to confer with you for half an hour free of charge to see if I can be of service. At that time I'll tell you some of the things I've done, about some of my past cases and about my philosophy.

In the meantime, I publish several reports, booklets and tapes on subjects of interest to people like yourself. I've listed them on the enclosed card. If you send it back, I'll send you any of them with my compliments. I hope I can be of service to you but, moreover, I hope that what I have already included can benefit you. The next two newsletters will arrive with my compliments.

**LECTURES AND SEMINARS DRAW POTENTIAL NEW CLIENTS**

Free lectures and seminars attract potential clients. The cost lies in some preliminary advertising or mailing and the cost of a hall. Your audience may already be concerned about the topic you choose and are looking for solutions (weight loss or money management.)

By making the seminar or lecture free, you engender goodwill from your audience. By addressing issues of concern to them, you are validating their perceptions that the topic is an important one. By offering good, sound, and thorough advice, you establish yourself as an expert.

Give complete information in conjunction with your self-promotion. Don't hold back, don't offer just enough to titillate their interest. Elaborate on each topic you choose, supplementing theoretical information with case studies or anecdotes. Establish depth of knowledge along with experience.

You won't gain 100% of the attendees as clients. Some people attend such events out of general interest rather than particular need. But if you dedicate two or three hours of your time one or two evenings a month to addressing subjects with which you are already very familiar, you will see an increase in your client base that will repay your minimal expense and effort.

How do you design the campaign? It's very simple.

Create an ad or mailing piece announcing a free 90 or 120 minute lecture on a topical subject of wide general interest. Relate the presentation to your specialty. For a general practitioner, it might be breakthrough techniques for overcoming, eliminating or avoiding cancer or arthritis, or ten medically safe methods for losing weight. A plastic surgeon could discuss innovations in cosmetic surgery. A tax accountant could present a seminar on sheltering income: and so on.

After a headline announcing the topic, the copy chronicles your credentials, your accomplishments, achievements, professional memberships, and articles about your practice and specialty: *Dr. Curran is a specialist in this subject. He's conducted research and he's perfected techniques. He will present a lecture for people interested in the topic but who do not know the facts. This lecture will be held from __ to ____ on _____.*

Admission must be free but instruct interested people to reserve tickets and give them a number to call, thereby capturing their names and addresses for future mailings. Or you could collect names at the door, which is simpler.
Another way to create an audience for a seminar is to go to affinity groups, social groups, fraternal groups, business groups and so on. Offer to speak on subjects of importance to that group. For example, a doctor might talk about stress reduction to businessmen. A dentist might address dental bonding. A CPA might offer to speak on loopholes still available to corporations after recent tax changes. A lawyer might talk about how to write non-compete clauses, or how to write contracts or ten legal situations that don’t require a lawyer. It should be something provocative so that when the group invites its members, they will all be inclined to come.

Your lecture should be split into two parts. In the first half, titillate them with anecdotal information. Then break for coffee. Mingle with the audience, distributing your business card and an information package you have put together, which could include the reports that we’ve talked about and a statement on your practice.

In the second half, offer some service that’s free but designed to capture valuable information. For example, conduct a quick nutritional survey on your audience. Have them respond to 25 basic questions, providing their name, address and telephone number on the questionnaire. Your office will tabulate the results and send a brief summary back to them. Offer to perform a quick business accounting survey to see whether they’re using all the accounting opportunities available to them. Ask twenty or thirty primary questions and obtain their names and addresses.

At the end of the seminar, you will have established initial contact for an on-going dialogue. Don’t let the lecture be a one-shot deal. You should have elicited names and addresses to add to your mailing list of high-probability potential clients. You could have the attendees register at the door -- this is a better time to get names than at the end when they may be thinking of their next appointment, their errands, or simply going home to bed. It makes attendance at the lecture hinge on providing some easy information.

Another approach is to require pre-registration. Stipulate in your advertising that admission is free but that tickets are required. The interested reader then calls your office and your staff can obtain those vital names and addresses. This method is also good because it gives you an advance idea of the audience’s size. Also, because the attendees then have something physical (the ticket) to remind them of the place and time of your presentation it will ensure the attendance of a larger percentage of respondents.

Once you have names and addresses, don’t file them away. Use them! Maintain the dialogue which you have begun. Send the attendees follow-up packages. A simple questionnaire two weeks later on the quality of the seminar will continue your tenuous relationship, as well as possibly eliciting some testimonials you can use in the future. An announcement of future free seminars will strengthen your image as a concerned professional. A newsletter can allow you to elaborate on some areas you touched on in the presentation.

Whatever method you choose, don’t let go of these highly motivated individuals once you establish a dialogue. The more often they see your name, the more likely they are to think of you when they need your professional services.

TAPES AND TRANSCRIPTS OF SEMINARS AS POWERFUL MARKETING TOOLS
Whether a seminar is successful or unsuccessful, it has residual value if you record or transcribe the text. You can make transcripts or recordings available to both current and potential clients.

Send the tape or the transcript to prospective clients, along with a cover letter telling them that a great many people tell you that they learned a lot from the presentation, that it changed their attitudes on medicine (or dentistry or about accounting or on how to use an attorney). Indicate that you’ve taken the liberty of sending them a transcript or a recording of your speech or lecture in its entirety, including questions and answers, in hopes that they will benefit as well. Encourage them to read it or listen to it and stress that you hope that they’ll find it useful and informative. If they find that they have questions, assure them that you are available to respond.

If they are interested in your services, offer to talk to them in person or by phone to explain your philosophy and how you operate. Provide some case studies. Tell them that you think the best way for people to learn about how a professional operates is to listen to what he says and to meet him or her. Since they were unable to attend your seminar, this tape or transcript is second best. And always encourage them to feel free to call with questions.

You can use the transcript or tape in several ways. You can offer it through your Yellow Pages ad, through your display ad, to the groups to whom you give presentations on other topics, to the referrals you have obtained. You can mail it to residents of entire neighborhoods. If portions of it are topical or time-sensitive, you can eliminate or occasionally update those parts. If you make a tape or transcript once, you have a valuable product that you can use forever.

You don’t even need to hold an actual seminar. You can simply record a session as though people had attended. You can then offer the tape or transcripts in promotion, advertising or mailing so then you can say: ‘This private seminar is worth $400 (or whatever you perceive its value to be) and it is worth every cent. But it’s worth me buying you $100 worth of my expertise to give you a chance to familiarize yourself with how I think and how I work.’

**DEVELOPING A PROFESSIONAL REFERRAL BUSINESS**

Paying for referral is unethical in the professions; the alternative is to give value for consideration. In other words, make yourself available to provide valuable services to groups or individuals with the understanding that you’re extending yourself, expecting them to reciprocate.

A doctor or lawyer could go to businesses and offer to be the resident counsel for the employees, giving lectures on a scheduled frequency, such as monthly or quarterly, and perhaps holding special programs for whole weekends.

At these times you knowingly and willingly give for free what a client would normally pay $100 or $200 to receive with the knowledge that you are accessing a great many people, some of whom could ultimately become your clients.

The same pattern can be followed with fraternal groups. You go to them and say, being very up-front: ‘I’d like to build my practice. The way I do this is to get a showcase, an endorsement. If you will allow me to access your members by sending them information.'
holding a lecture or speaking at one of your gatherings, I'll provide information that would normally be worth $50 or $100 if they bought it themselves.' The key is to be forthright.

There are also other ways to gain referrals. Although you cannot pay percentages, you could pay for leads by the lead. You can contact various people and say very simply, 'You know me by reputation. You know that I'm a talented doctor or lawyer. I know that a lot of your clients (customers, employees, members, etc.) could benefit from improved medical or legal services. I have a service to offer: a free consultation (or a free report or a free copy of my tape) to anyone that would send for it. I will pay for the leads that come from it at a rate of ____ per lead.'

I used to have a standing offer. I was interested in obtaining a certain kind of person as a client. To find that person, I offered a hundred qualified people 15 minutes of my time for free with the knowledge that I was looking for a single client out of those hundred. I always tell my contacts that they can give my time to their customers as a gift. I give them a vehicle from which they benefit because they all get a 15-minute consultation. They all get a fine consultation because I want the exposure.

Go to your contacts and say, 'I'll give my time and my expertise freely to as many of your customers, prospects or friends as you want, provided they meet my specified qualifications. They get something, win, lose or draw, whether I get any business or not. They get a tutorial on accounting (or on law, weight loss or cancer prevention) that would cost them $50 if they came into my office. It's my way of showing that I want their business and can provide effective service.' Tell them your motives up front.

INVESTING TIME AND MONEY IN MARKETING

Allocate time to marketing. Work with different associations, different groups, different ads and different mailings. Sometimes you'll have a hundred responses; other times you'll have twenty. It's a cumulative process. Always experiment to find the approach, the articulation, the headline, the unique selling proposition that draws and converts the most responses.

Keep in mind that 'most responses' does not always mean 'most clients.' You have to analyze the results of each marketing effort. And it's not a one-shot deal; it's a perpetual function.

Professionals have to look at time and financial investment in marketing as businessmen would. Seed your strategy with capital -- whatever you can afford. Thereafter, reinvest a significant percentage of the new business that comes in. In other words, if you know that thirty days after presenting a seminar you normally get 10% of the people as clients and if the average seminar draws a hundred people, that means ten new clients per seminar. If you charge $50 the first time a client visits, the lecture is worth $500. And most will return many times. Commit the whole $500 to the next promotion.

Or, to use another example, every time you mail a newsletter to 1,000 people, 45 days later you get ten new clients. If ten new clients are worth $200 each in the first month, that means the mailing is worth $2000. Reinvest that $2000 or a percentage of every month's additional revenue in marketing the next newsletter.

You need a commitment to reinvest and reinvest on a regular, structured basis or your
marketing efforts will fall through. In order to maximize its effect, it must be a perpetual program which you're committed to forever, or until you achieve saturation of your practice.

BARTERING SERVICES TO LEVERAGE MARKETING POWER

Barter is a very effective way to leverage your total marketing power. If you think that advertising and other marketing expenses are available only for cash on the barrel head, think again. Your services are valuable enough for people to spend their hard-earned money on. By the same token, if offered in trade, they carry that same value.

And since your services are not something that most people walk out of your office with on a one-shot deal, your 'payments' in service are automatically financed over a potentially long period of time -- and interest free! This frees up your cash flow for other areas where cash is required -- your personal salary, administrative costs, and so on.

Another advantage to barter is that, as a professional, you charge clients primarily for your time, rather than the actual cost of materials, so your 'mark-up' is based only on administrative expenses (e.g. office space, staff salaries, and other current expenses). Five hundred dollars of your service may cost you only $150 in actual cash laid out. So in effect you are purchasing $500 dollars in advertising for only $150. Compound this discount with the normal situation where your service is not requested until weeks or months later and you have created a situation of marketing leverage where you take a tremendous long-term financial advantage while reaping the short-term benefit you need.

Think of barter as a real alternative to cash and credit purchases. And not just for marketing efforts, but for other purchases that could pinch your cash flow.

But how is this done? What are the nuts and bolts of barter?

You can barter to purchase anything that you would normally buy for cash. If you present seminars as part of your marketing plan, offer to trade your services for hotel seminar space. If you don't want personally to perform the work with which you've bartered, divert the job to an associate or employee. Let's say you employ an accountant who costs you $20 an hour and your firm's billing rate is $200 an hour. If you trade $200-an-hour accounting or legal services for a $200 ad, you've bought that asset for one-tenth of its market value. Moreover, you finance it interest-free over perhaps a year, while reaping the benefits right away.

You could take it one step further. If the vendor you are seeking to exchange services with doesn't want your services directly, suggest triangulation. In other words, go to a radio station with the intent of purchasing $5,000 in advertising and offer $5,000 worth of your services. If they don't want the service themselves, suggest that they package it into a promotion to be offered to somebody who buys $2000 worth of advertising. They benefit in that way.

It's unorthodox, but it provides a way for the ultimate user to benefit. If he can't benefit himself, show him how to sell it, trade it, package it to a third party. If you can help him find a way to profit from your services, he'll be happy to exchange.

You obtain the advertising, the printing, the hotel room or the billboard at pennies on the dollar, financed by showing an unlimited time credit with no pressure for the recipients to avail themselves of it right away. The longer it takes them to use it, the less it costs
you in real dollars to fulfill and the more money you’ve made up front on what they’ve given you. You can reinvest it and keep extending it.

You can also barter for other items and services in addition to those related to your marketing plan. Go to a car dealer and offer to trade the car dealer $20,000 worth of prepaid services to his employees for a car. If he had to give employees raises, he’d have to pay for them in cash. You can offer your services at your full rate.

In barter, it’s critically important to recognize somebody’s margin. If you went to a car dealer and wanted to trade credits for professional services for a car, it may not be so appealing because they don’t work on the margin. A $20,000 car probably costs the dealer $15,000. The way to make it work is to say, ‘I’ll give you one-and-a-half times the value of the car in my credits.’

It’s very important that you know your real margins, your real cost to render a dollar’s worth of service. If rendering a dollar’s worth of service costs you thirty cents and you trade that for something you’d normally buy for cash, you are still making seventy cents on the dollar. If you trade at twice your rate, you’re still getting something you’d pay a dollar for and paying only sixty cents, realizing forty cents in profit.

As long as you understand this, the sky’s the limit. Of course, barter agreements assume that your practice is not filled. If your practice is saturated, then you would be giving up real money. But up to the point where you would become saturated or where you can take an associate into your practice, whenever you obtain something in trade that costs you less than a dollar, trade it for something else that’s worth a dollar.

Go to the printer, to radio stations, to newspapers, to local magazines, to anybody who can provide advertising exposure to reach the desired market, whether it is business people or the masses. Explain to your target that you are willing to exchange your professional services at retail for their product or service at retail.

This is how it works. You want to place an ad in the local newspaper that would cost $2000. You get your ad right away and issue a credit that the newspaper can use forever. The later they use the credit, the less it really costs you to fulfill. $2000 worth of your time today is worth more than $2000 of your time a year from now after inflation and when your rates have increased.

If the credit as issued specifies a dollar value (as it should) and no time constraint, the recipient won’t be eager to use it right away. You have made your purchase with soft dollars. What does it cost you as a service provider to render the service to pay for your past purchase? You could answer - nothing. Whatever the cost, you’re buying it at a discount over cash, financed interest-free for as long as it takes them to use the credit, while you receive the benefit of the advertisement, the mailing or the radio advertising immediately.

The following is an application of barter: Make an offer to other owners of a big office complex or to a big company that owns perhaps half the building and has employees on site. Offer to trade your services to the employees in exchange for office space.

The company can offer this benefit as a perk or in lieu of raises. If average $100 raises are due next month, that could translate to a $1200 expense per employee over the course of a year. Offer to give each employee a $600 credit with you to provide service. In exchange, you obtain $600 rent credit for every employee.
Another way to trade is triangulating. You may be able to trade service for office space you DON'T want. If you trade a $50 visit (that costs you $10) for $50 worth of rent, you can rent to a third party for $40. You're taking something that costs you $10 and making 300% profit, while your renter enjoys a 20% discount.

You can trade for all sorts of things whether you want them or not; you can always sell them off to somebody else. You could have a practice built on trade and still make a fortune. You may never see a dime in cash come from clients. All your income could come from the way you dispose of assets you have traded services for. It's up to your imagination.

Barter is a great way to free up your cash flow, but be warned! The exchange is judged by the tax men to be taxable to each partner involved. It is taxed based on the amount of the fair market value of the service or product involved, including rental. The amount of taxable value is based on whichever is most easily valued.

Anyone involved in barter arrangements should keep excellent records of such transactions. Check with your tax advisor as to the amount to be counted as income in specific cases.

**MARGINAL NET WORTH: BRING IN CLIENTS AT A LOSS AND STILL MAKE A FORTUNE**

Depending upon your profession and the various types of clients you serve, a client is worth a certain average amount of dollars to you over the period of your association.

If an average client stays with you two-and-a-half years and each year you charge an average $2000, of which you realize $1000 in profit, then with two-and-a-half years' worth at $1000, every new client is worth an average $2500 in profit. Some will be worth only $500, some will be worth $5000 -- work on the basis of an average. If you know on average what a new client is worth in profit before they're done being a client, you can work backwards and figure what you can afford to pay to bring in a new client assuming you have the cash flow to handle it.

If you knew with certainty that a client would be worth $2500, you could actually spend $2499 and still make a profit. Certainly you could afford $100 to $500. When you understand their worth over the course of your relationship, then you can justify spending more money to bring them in.

It's certainly justifiable to spend at least what they're worth on the first bill. If the first bill brings in $200 in profit, you can spend that $200 to obtain the client, give up the profit on that and be philosophically delighted to bring them in. At a minimum, you could spend the profit because your service costs you only time. If you have the cash flow, you could afford to spend both the profit and the actual cost of services.

If you gain a client with $2500 in average profit for every $200 you spend, you still make $2300. Every time you spend $200, you accrue $2300 to your practice over the following two-and-a-half years. Once you understand that, it gives you great flexibility in what you're willing to spend to bring in a new client. You could even hire a sales rep and say, 'Every time you bring a new client in, I'll give you 100 percent of the first month's billing.'

Marginal net worth is powerful, but most people don't see it. When you do, you see how
much you can afford to spend. You must calculate the time value of money. If you get a new client worth $2500 over his life to you, what would you spend for him? If you spend $0 per new client, that’s cheap. If you spend one visit’s revenue or the first billing to get them in, that’s cheap compared to their worth over time. Most people don’t have that long-term perspective.

You need to allocate enough money, to be willing to spend $50 or $100. If you can subordinate short-term goals to long-term perspective, you’ll get rich spending money to bring clients in.

Medical practice is different because it may involve more than just time. Cost of materials for treatment must also be considered. As a result, a physician may not earn as much on each patient. However, the patient’s longevity is much, much greater for a general medical practice than for a legal or accounting firm. For example, you may know that every new patient will make an average of three visits a year at an average bill of $50 per visit. If you realize $30 in profit on the $50, every new patient is worth $90 in real profit on an annual basis. If the average patient stays with you ten years, he or she is worth $900.

What is it worth to get a patient in the front door? Certainly you can give up the revenue from the first visit. If you administer no drugs or injections, that visit costs you nothing but time, so you could easily give up the profit. You could offer the first visit at a discount to be sure to cover costs, but it’s best to make it complimentary and give up all revenue. For every qualified patient that you don’t make a dime on for the first visit, you are accruing money over time.

REDUCING TAXES AND GETTING YOUR WRITE-OFF BACK

You can use the marginal net worth concept to cut taxes legally. Once you determine a potential customer’s long-term worth, you can pay for certain expenses during the last few months of your fiscal year, such as advertising, promotion or mailing pieces that you’ve tested. When you mail 1000 pieces, you get 100 responses of whom you convert ten new clients. Those clients are worth a predictable amount of money to you in the following tax year.

Once you know with fair certainty what a promotion will be worth, put whatever you can afford into marketing at the end of your fiscal year. The campaign will generate no revenue for two or four months but, having tested it, you know with some certainty that the money (written off this year as a marketing expense) will come back next year as new business.

If you conduct seminars or trips, pay in advance for hotels and other related expenses of holding the seminar this year and have it roll back next year when your clients attend and pay you for it.

Test and learn the marginal net worth. Once you know with fair certainty how many inquiries, prospects and, ultimately, clients an ad produces and how long it takes to convert them, spend your money on marketing towards the end of your fiscal year. The ad will bring in prospects relatively quickly but they won’t convert until three months later -- in the following fiscal year. Once you know the potential value of new clients, spend on marketing whatever you need to spend in order to reduce your taxes. Your investment will accrue future earnings.
BUYING PRACTICES

If you understand the dynamics in this course and you have an under-utilized practice, the smartest thing you could do is buy somebody else's practice on a variable basis. Use the techniques in this course to enhance the profit by 15 or 20 percent and pay for the practice with that enhanced profit. The rest is gravy.

If you have a fully utilized practice but are entrepreneurially oriented, you could buy a second practice on a no-money-down, deferred-payment basis, bring in associates to run it on salary or a percentage and still make money by keeping the lion's share of the profits.

It doesn't matter what you pay for the practice; it matters more how you pay for it. If a practice is billing $500,000 a year, you can pay two or three times its marketable worth if the duration of payment is long enough. In other words, if you acquire $500,000 worth of under-deployed billing and the going market price is one half times annual billings, you could offer two or three times that amount as long as you negotiate a sufficiently long payment period. By implementing the marketing techniques detailed in this report, you could enhance the cash flow and profit enough that additional billings will pay the debt service. The rest will be profit to you. After a couple of years, you could sell it for three times what you paid for it, based on the increased billing you have developed.

Payments are all you should care about. I'll gladly pay $3 million for $1 million of profit if the payments can be strung out long enough. Terms are more important than purchase price.

Locate a practice that interests you and make a proposition: 'If you're close to retiring and you're trying to decide how to dispose of your practice, I'm interested in buying it at a premium.' Most people will pay only the going rate for a practice, perhaps half a year's billing. Offer one-and-a-half times annual billing or even two or three times, but stretch payments out over a longer period. Build your reputation on building practices. Offer to take over right away and provide the seller a great retirement.

Craft a letter of solicitation that will be appealing because you offer much more than anyone else. Knowing that the purchase can pay for itself, bring in an associate, use the techniques of marketing to build the practice and sell it to that associate as soon as it gets built up. You can buy and sell, buy and sell all day long. It could be a wonderful entrepreneurial endeavor.

The history of a practice indicates what you should be willing to pay in cash or as a reasonable down payment. To quantify the marginal net worth, you need to determine: a) the average customer's worth over the course of a year and, b) the average life of a client's association with the practice.

With this information you can project the probable life income (or marginal net worth) of the client base. Factor in enhancements to the practice, using the techniques in this report. This will provide you with a good estimate of its worth.

On the other hand, if you have cash, you can easily buy a practice at discount. In other words, you can calculate that you're buying a million dollars of income for $200,000 that you can build up and sell. If you don't have cash, develop a relationship with a banker, empirically chronicling to the banker the practice's worth by taking the seller's records.
showing the income history and calculating each client's worth. Then project future income. When a banker or financial group sees the marginal net worth, you can raise money from almost anybody.

TAX-DEDUCTIBLE CRUISE SEMINARS

No matter your profession -- accountant, doctor, lawyer -- a core segment of your client mix has acute needs, problems and requirements. By identifying those people and catering to them in a unique way, you can make money leading them on trips.

For example, an accounting practice may have 500 clients: 300 individuals, 150 small businesses and 50 heavy-duty corporations. You could organize weekend or week-long trips as often as practical to exotic places where you hold intensive seminars, workshops or clinics on the problems of particular interest to this group.

A doctor could present special trips featuring discussions of specific nutritional, preventive or medical therapeutic subjects. A lawyer could sponsor a cruise for clients concerned about specific aspects of legal maneuvers.

The topic doesn't matter; focus on a subject of particular appeal to this core segment. Charge between $50 and $1000 per person or per couple to attend. Attendees should arrange and pay for their own transportation and accommodations separately, unless you can make a profit doing it yourself.

Limit attendance to between ten and fifty people. You are able to render excellent service because you work with a concentrated group. Basically, you are conducting group counseling, leveraging yourself and focusing on specific issues in a way you couldn't justify in the office environment.

Hold the seminar some place nice that you want to go to, too. You get a vacation with pay because you earn an extra $10,000 or $15,000. Holding such a seminar in a vacation spot ingratiate you to your clients. Offer the seminar at a time when you want a vacation. Depending on tax laws, you can write off some of your costs. Talk to your tax advisor in advance in order to structure the event properly and to take utmost advantage of allowable tax breaks.

You can offer a series of seminars or workshops: weekend one, week-long ones, two-week-long ones. You can solicit attendees by sending letters to your clients or by hiring people to call them. If the price is right, the subject matter compelling, the location good, you will be able to make it a success.

It's almost no problem to get ten or fifty people to go on a weekend or week-long jaunt. If you hold two of them a year, you can make $25,000, $30,000, $50,000, depending on your pricing. In addition, you can pay your spouse to organize the event, keeping the money in the family. You can bring your whole family along, as long as you hire them.

Talk to an accountant to take fullest advantage. Not everything is a write-off and you will need assistance to organize the event in accordance with current tax regulations.

ROLLING REVENUES AND EXPENSES FROM CORPORATE TO PERSONAL INCOME AND BACK

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If you are structured as a professional corporation, then you as an individual can engage that corporation for marketing services.

You can conduct seminars outside your practice, paying your corporation to manage the marketing for you. Pay them $10,000 to promote a seminar. You present the seminar and make all the money from it writing off the $10,000 payment. They conduct the promotion. If you pay your corporation to manage an event for you, you receive the revenue but the corporation gets a fee for managing it. Pay the fee at the end of the taxable year and write it off. The $10,000 expense comes back to you in the form of revenue.

Conversely, your professional corporation could pay you as an individual to market for them. Roll the fees back and forth. First, pay them to manage your personal marketing; then gain income directly by doing some of the things we're talking about. Use speaking engagements to break even.

Roll your money back and forth, engaging one another to manage each other's marketing.

Several things to consider and to discuss with your tax advisors (and believe me, you will need a tax advisor in order to do this kind of financial maneuvering). Timing is critical; tax rates vary from the personal tax rate to corporate; and the corporation must be real, not simply a corporate shell.

Once you have arranged this kind of a relationship, you may feel you can proceed to do it again, but always keep a tax expert handy.

COLUMNS WITH YOUR BY-LINE IN THE LOCAL NEWSPAPER

Most professionals live in communities with a local newspaper or a suburban edition of a major newspaper. You can propose to that newspaper or to a local radio station that you'll provide them with a weekly or monthly column or five-minute radio show for which you would like only a brief, tasteful acknowledgement:

'Dr. Singer practices at 1234 Main Street. Office hours are 9:00 a.m. to 5:30 p.m. weekdays.'

Or, 'John Filibuster's accounting offices are at 7862 Vine Street. He specializes in corporate taxes and is available for consultation.'

If the subject matter that you address is sufficiently valuable or exciting, you could take it one step further and ask for compensation. You can take the compensation in the form of advertising, credit or exposure, thereby freeing up your cash flow. If you offer five-minute vignettes to a radio station, negotiate and arrange to accrue a thirty-second commercial to run at some other time every time they air your program.

But beware of the tax man! This approach is barter and as such is taxable income to each partner involved, based on the fair market value of the service provided.

BECOMING THE MEDICAL OR FINANCIAL DIRECTOR OF BUSINESSES

Serving as the medical, legal or financial director of a business is a great way to promote
yourself. In fact, it can work in three ways:

1. Advertisement - You expose yourself to potential clients, who then begin to feel comfortable with you and may eventually even refer outside acquaintances to you as clients;
2. Cash Flow - You can potentially earn an honorarium from the company you serve; and
3. Reputation - You increase your community prestige by taking on another duty, which can also be used to enhance your stature if mentioned in a biography distributed at seminars or in other marketing efforts such as newsletters and special reports.

And all of this can be your harvest of time and zero financial investment.

How do you go about placing yourself in a position in a business enterprise?

You do this by going to companies and offering them the following proposition: Tell them that you are interested in expanding your practice and in rendering service. The greatest service you can render to that business is to become medical (or legal or financial) director. You will issue a monthly publication on various subjects of interest. An accountant would offer information on financial issues, a lawyer on legal matters, etc. This will benefit their employees, associates or members. Offer to present a brief lecture to that organization monthly either at lunch time, after hours, before hours or on the weekend. After the presentation, answer basic questions and perform basic services for free. Offer to perform these services provided the company endorses and promotes them.

You can offer service gratis or you could specify a $100-a month honorarium. The corporation can apply this honorarium fully to any services it would avail itself of from you directly, so it really costs them nothing.

If you make such an arrangement with twenty corporations, you can earn $2000 a month by making twenty visits each month. At each site you could be exposed to as many as 100 employees. You could ultimately get at least five percent of them as patients or clients, if you select organizations with a high predisposition as good prospects.

In this way you can potentially double or triple the size of your practice in the course of a year or two and make $25,000 a year to boot. Moreover, you could use that money to hire assistants to visit these companies in your stead.

The key is to make this offer under the auspices of service. For example, you own a company. I come to you and say, 'I want to be your designated medical director (or employee accounting counsel or legal advisor, etc.). Once a month or every two or three months, at a frequency most practical for my profession and your business, I will give a three-hour clinic at lunch time, in the evening or on a Saturday.'

The clinic will consist of three parts:

1. General techniques that most people should know but probably don't;
2. More innovative issues: in accounting or law, how to protect yourself; in medicine, how to prevent disease; and
3. Individual examinations or counseling: a dentist will look at teeth; a doctor will conduct brief, cursory physical examinations; a lawyer will answer individual questions.

There will be no charge to the employee but you can expect to develop new clients or patients through the exposure. Explain this ultimate motive clearly to the company representative with whom you are negotiating.

Irrespective of the honorarium, it is important that the company actively endorse and promote your services and furnish the facilities you need. The company could ensure that every employee get a promotional pieces that you have prepared. New employees should receive a package describing you as the recommended professional in your field. At Christmas time the company can provide you with employees' addresses so you can communicate with them.

**TWENTY-FOUR-HOUR INFORMATION HOTLINES**

You can buy a telephone answering machine that rewinds for a mere $100 to $2000, depending on the number of lines it accommodates. For a few dollars more, you can run display ads in newspapers or on radio. The test of the ad, of course, will vary depending on your profession and specialty, but in general the ad should briefly summarize the subject of the tape and then urge the reader to call 24 hours a day for free information. Your topic should be titillating and provocative, compelling listeners to call.

The tape should play for five minutes. During the first three minutes, address the topic which you announced in your advertisement; use the last two minutes to describe your practice -- who you serve, your philosophies. Include a phone number to call for further information or to schedule a free consultation.

As a physician, you could take topical subjects appealing to people you want to add to your practice. The ad could say, for example, 'Ten proven ways to lose weight without suffering. Call this number 24 hours a day.' When they call it, you say:

'This is Dr. John Sorenson. Although my practice is broadly encompassing, one of my specialties is weight reduction. I've found that most of the people who come to me for weight loss don't do these ten things that would help them lose weight by themselves. Let me tell you about them.' At the end you say, 'I hope that this information has been helpful and that you can do it on your own. If you feel you need my assistance, I'll be glad to consult with you. Feel free to come into the clinic. Call my offices at . . . .' 

As a lawyer wanting to reach businesses, you would write an ad saying, 'Ten ways your company might be exposed to the danger of a lawsuit. For free information call this number 24 hours a day.' It should make businessmen think they might be exposed to a complex legal situation, with all its attendant time-consuming expense. It should be a sufficiently provocative topic to get someone to call in.

Your five-minute tape says, 'This is Mary Pierce. My legal practice caters primarily to entrepreneurs. Ninety percent of my clients come to me because they overlooked the following critical legal functions in their business. . . . (enumerate the issues). I don't know if you are committing any of these faults, but awareness is critical. I suggest that you examine your documents tomorrow morning or today. If you think you might have a problem, I offer you a free consultation to see if I can help you.'
'If you don't have this concern, you should know that my practice concentrates on entrepreneurs. Anytime you might need us, we're available.'

Give information. Tell them about yourself. Make them an offer to sample your services to see if there is compatibility. Always give them information. Always educate, demonstrating that you have expertise above and beyond that of your peers. Make them assess how they might be exposed or where they might not be utilizing your profession to the utmost. This will cause them to say to themselves, 'I would probably benefit from talking to that man or woman.' And then invite them to do that.

PROFITABLE SEMINARS

Information sells, that's clear. And what better way to sell than to large groups of people in a single place? You can sell the information that your specialty focuses on to large groups as easily as to single clients.

Of course, specific application to individual problems requires a different approach, but there is nothing wrong with dispensing general information of widespread appeal to people for their personal use. And, if you structure the seminar properly, you can respond to questions asked in public or afterwards in private.

The information you provide will be the bedrock of your profession and will not require extensive research (and hours of time) to prepare. It is more a question of organizing the style of presentation, the flow of information, and the organization and assembly of any materials for distribution. But don't skimp on the information -- present hard fact; just remember that to make a significant impression on the non-professional attendees will require the repetition of what you consider to be the extremely obvious or well-know facts. The point is to make a few good points stick, not to make your listeners instant experts on a particular corner of your profession.

Organize a two or three hour information-packed seminar, adding bonus packages such as personalized counsel, vitamins, nutrients, menus, dietary plans, tax or financial savings plans, free wills.

Advertise it in a newspaper or issue direct mailings to your clients or your prospects. Hire a man or woman on a percentage basis to promote it over the telephone to groups, organizations or companies. Experiment with different promotional mediums and organizations available to you until you find the right market, device or company.

Hold the programs at the frequency you desire, allowing others to do the work for you. You can come up with ads and run them as often as you like. Each time you present a seminar, you bring in 100 or 200 people and charge each of them $50. After promotional expenses, your only expense is for the facility you use.

The ad, should start with a provocative headline such as:

* How to Eliminate the Risk of Cancer
* How to Avoid a Heart Attack
* How to Extend Your Life by Five Years
* How to Save an Additional 10% Per Year in Taxes
* Loopholes Allowed by the New Tax Reform
* Ten Ways a Lawyer Could Help Your Business
Then introduce the content of the seminar by listing about twenty bulleted topics to be covered. End with a succinct but provocative biography of you or the speakers you will be presenting.

You can simply sponsor the seminar, bringing in other speakers with the ad detailing their expertise: 'Dr. Joshua Stein is probably the most knowledgeable specialist in weight loss in Acme County, having concentrated on this topic for the last thirty years. He has personally counseled and treated 8000 people with an 87% success rate. He has developed dietary formulas which, in most cases, eliminate overweight by 20% and reduce blood pressure by 15% in the first thirty days. In this session he will present his philosophies, his techniques and a plan of living that could be used by anyone to radically reduce their weight.'

Specify the seminar location and time, how to register, how to attend. Identify prepayment, telephone payment, pay at the door, etc. Direct people to act. Offer tapes or transcripts if they cannot attend at the designated time.

You can also develop seminars in cooperation with corporations. Say you are an accountant and know that ABC Corporation sells something that helps businesses save money on taxes. You go to ABC and say, 'I would like you to sponsor a seminar that I will hold on a corporate tax saving. I would like you to furnish me with your mailing list, pay the postage and prepare a letter of invitation from you to them. Explain in the letter that this program would normally cost them $1000 but that you have engaged me to give this seminar as a service to them.

'Ve can have a three hour presentation; break for lunch; and three more hours of the seminar. Then I will provide counseling. What I want is $500 plus the list of attendees so that I can solicit them one time myself.'

Show the company that they are giving every one of their customers a free $1000 gift. This will predispose these customers toward the sponsoring company and will encourage them to reciprocate with future business. You will be paid for the privilege of soliciting people.

After the seminar, write a letter to each participant saying: 'Thank you. I'm pleased you had the interest in the subject. I hope I helped you. I enjoyed talking with you.' Encourage them to contact you if they have questions or need the service you offer on a permanent basis. Offer a no-cost initial consultation prior to any long-term arrangement. If offering evening or weekend office hours would gain you clients, make sure they are aware of this.

You can also offer special seminars to current clients. First, review your client base and identify subjects appealing to most of them. If you offered an intensive three hour seminar every Saturday on a topic or cluster of topics and had 100 people each week, you would turn a nice profit. You could send a letter monthly including a list of the next twelve weeks' conferences. Charge $50 or $100 per person to attend the seminar. You would probably get thirty or forty people to attend each seminar.

**CLINICS TO INCREASE CASH FLOW AND PROFITS**

The clinic approach is similar to the seminar approach. It can be presented in either of two ways: 1) by accessing existing clients, or 2) through promotion and advertising.
List the most provocative, significant subjects in your profession: tax shelters, tax savings audits and penalties if you are an accountant; weight loss, cancer, arthritis, longevity and heart attacks if you are a physician.

Then create clinics that you promote, either internally or externally through endorsements from organizations. These will be weekend or evening clinics. You invite a lot of people to attend; they get lectures and certain special treatment. A physician could give formulas, vitamins, diets. An accountant might provide prepared forms or one-on-one counseling to review tax returns. Distribute forms to compute things, printed plans of action, reports on topics of current interest.

For example, as a doctor who feels that weight loss is important, you might offer a weekly or monthly weight loss clinic. Hold the clinic in a big room in your office or rent space in a community center, church or hotel. Then send out a mailer or solicit your patients by phone, saying, "This Saturday, Dr. McDowell will hold a clinic costing $50. You will get a lecture on 100 ways you can change your eating habits to lose your problem weight. The second part will show easy and effective exercises. Third, you will receive a cursory medical examination, including blood pressure and weight analysis. Fourth, you will receive menus for diet planning. Fifth, the doctor will provide you with a supply of nutrients to take home."

You can do this in an infinite number of ways, limited only by your imagination. You can also go the other way, taking a topic with limited appeal and charging a premium for specialized information.

FOLLOW-UP ON CLIENTS

Professionals often fail to convey to their clients that the clients are important or that the client's views and opinions are important. To overcome this obstacle, professionals should have an initial consultation form that solicits the names of the client's spouse and children, his or her interests, etc. This lets you know something about the client so you can make him or her feel important.

After the visit, you or your assistant should telephone to inquire how he or she is doing, did the technique or medicine work well, etc. Indicate that you are always available if they have any questions.

Sending Christmas and birthday cards or notes with a personal touch makes people feel important. It is vital not to drop patients once their problem is resolved.

Doctors and dentists especially need to pay attention to their waiting areas. Often the magazines and publications offered are worn and out of date. Professionals should maintain a high tone by making available new publications on a rack or table. It would be even nicer if the receptionist kept some magazines at the desk, handing them to the patient when she or he signed in.

The receptionist should be warm, inviting and friendly. She or he should know something about the patient and be able to converse in a meaningful way. If the doctor is running late, the receptionist could announce, "The doctor is running a little late. Do you have an errand you need to run or do you need to use the phone to call anyone?"

Do anything you can to make that patient feel important.
Have current publications, a television, warm and cold beverages, possibly bookshelf with books on a variety of topics. These are ways to make the individual feel important.

Perhaps another convenience could be the availability of a VCR with a selection of good G-rated or PG-rated movies. What is a $400 investment? Nothing. If you are a pediatrician, have a little play area. Hire high school or college girls to come in and play with the children.

A professional can also acknowledge personal events such as birthdays and holidays. It pays to acknowledge these events for family members as well, not just for the patient. Cards are nice. What is even nicer is if the receptionist calls on the morning of your birthday to wish him or her a Happy Birthday. Or if the patient has a little girl and the receptionist calls and says, ‘Dr. Luden couldn’t call this morning, but he asked me to wish your daughter, Julie, a Happy Birthday. He is sending some McDonald’s certificates so she can take some of her friends to McDonald’s.’

What is this worth in terms of goodwill? Give something meaningful that reminds them of you, something that will ingratiate them to you for rendering noble service.

If you can’t allocate your staff’s time, it is worth hiring a part-timer for a few hours or at Christmas time. Instead of sending Christmas cards, he or she will call your clients and say: ‘I’m calling for Dr. Wu who is too busy to come to the phone. He wanted me to call and tell you that he wishes you and your family the happiest of Christmas (or Hanukkahs) and the very, very greatest new year. He hopes it will be a good year for you.’ What is that worth? It will cost you $5 an hour -- $100 to call all your clients or patients.

A SHORT COURSE IN HUMANESSE

All humanity wants to feel that the professional cares about them, rather than just about the money. It is the easiest thing in the world to do and the hardest for most professionals.

Every person wants to know that they are singularly important to their professional; that the professional cares about him and not just about dispensing medicine or advice in return for money. He cares about their dreams, hopes, needs, fears, requirements and complexities.

Always take the time to be interested in more than just what you’re doing for them in your office, no matter how busy you are. Probe a little bit. Ask about them. Be interested, not just interesting. Talk in lay terms with compassion, sensitivity and love.

Take the time to talk in a simple, warm, conversational manner. They will never think less of you; they will always think more. Show interest. Be sensitive. Thank them at the end for coming and for choosing you as their professional.

All professional practices are rendering service. Don’t lose track of the fact that people want to feel singularly important. We all have a tendency to become casual in our treatment of others. If you have given someone advice, follow up and find out if they are following it. Don’t just send them a bill; show you care, ask them if they need additional assistance. If you always ask if you can help, you will make more than enough money to pay for extra time.
Professionals have a reputation for communicating in complex verbiage that makes their clients or patients look intellectually inferior. It is a terrible feeling to leave the office of a professional feeling patronized. Always address them as equals. Don’t talk down to people. Brilliance is the ability to explain and express complexities in simple terms.

If you are talking far above your client’s head, stop it. Get interested and you’ll discover how exciting your clients can become. Start caring more about how you can serve them. Worry about them. Have them come up every so often in a tickler file and have your designated representative call them to find out how they are doing. Send them personal notes offering suggestions. These little gestures will make a difference in the way your clients will respect you and respond to you. As a result, they will ask more services of you and the longevity of your client base will increase.

TIME DONATIONS BRING MAXIMUM MARKETING DIVIDENDS.

Most professionals have a desire to give of themselves to noble causes. If you structure your giving to showcase your expertise, it will be more beneficial. There are many noble causes you could dedicate your time and services to. If you embrace the philosophy of leveraging your opportunities, choose the ones that have the highest probability of generating clients.

Give the services in a way that showcases your ability. As long as your schedule will permit, offer those in attendance the opportunity to meet with you later for free advice. People are silently begging to be led. If you dedicate yourself to working with a service organization, offer to speak to the group free of charge in an evening or at lunch time as a service to the organization. In the course of your speaking engagement, subtly suggest that if anyone has a problem, needs advice or has questions that need clarification, you would be happy, as a service to the organization, to talk on the phone with them or even to meet with them in your office. Start planting the seeds. Tell them what to do. Encourage them. People are begging to be told what to do.

You can also dedicate your time or services as a fundraiser. You can present a clinic or a seminar and donate the money that would have come to you. Structure it in such a way that you perform a noble service for the organization and the organization performs a noble service for you.

TRACKING RESULTS OF ADVERTISING

In every marketing effort you undertake, whether running an ad, publishing a newsletter, donating time to a service organization, speaking to a business or fraternal group, writing an article for a newspaper or running a regular show on radio or television, you owe it to yourself to quantify and analyze the productive benefit each endeavor produced. It is a waste of your valuable time and money to engage in activities that don’t produce revenue when you could use the time and money to greater advantage.

Every marketing activity you undertake should include an offer or request for people to call you or to send something that allows you to track how many people respond to that marketing endeavor. Then determine how many respondents actually engage your services. This enables you to evaluate which activities return the highest payoff for the least expense and effort. The average, logical, leveraged marketer will then direct his efforts, resources and finances only toward those projects or ads that produce the best results.
You have to know what works. You could pay $1000 for an ad that produces only $500 in business or with that same $1000 investment you could present seminars that produce $10,000 in business. You need to know where you can optimize your time, resources and exposure.

**USING OTHER PEOPLE TO FULFILL YOUR OBLIGATIONS**

The simple fact that you have an obligation to fulfill does not necessarily mean that you have personally to be the one to fulfill it. Even though your name may appear as sponsoring or directing an event, this does not indicate that you will also be the speaker. Other people are willing, ready and available to take over parts of your obligations that you find distasteful or time-consuming. They will, of course, require compensation, but you can still make a profit on the operation if you structure it properly. This is true for one-shot deals such as seminars, as well as for on-going enterprises such as other practices which you have purchased.

If you do not feel comfortable speaking in public, hire associates to speak for you. Hire a professional speaker or an intern who knows the subject, who will be working under you as an associate. A member of your staff could speak for you.

Don't be afraid to think of other people. Do you want to buy businesses you don't have to run? Buy the business and hire someone to run it or have them invest in it. Buy someone's practice, use the techniques in this report to build it, pay for it monthly on a small percentage of billings and bring in an associate who doesn't have the money but wishes to own his own practice. Offer him or her a purchased buy-out based on billing: sell it to him for three times the payments you are making to somebody else and let him take it over.

You can engage in a great many profitable endeavors if you have an entrepreneurial perspective. If you want to undertake any of the marketing activities presented in this report and you can't find the time yourself, use associates. If you don't want to do it yourself, organize the activity and delegate its execution to an associate.

Conversely, if you don't want to organize it, you can hire somebody to do it all for you. Engage a young, ambitious, enterprisingly resourceful man or woman with vision and offer him or her 10% or 5% of the proceeds, a fixed amount or put them on salary. If it makes money, it may bring them $3000 or $5000 a month. If the particular person you've engaged is effective, you'll know relatively quickly; if he or she is ineffective, find somebody else and keep trying until you find someone. Give them a title of Community Affairs Director for your practice. Their job is to coordinate and facilitate and promote you.

Someone is always available in the labor pool to do what you can't or won't do -- at a price. Weigh the price of the service against all the activity's benefits not just revenue directly attributable to the activity, but long-term benefits such as retained clients, as well.

**CREATING INSTANT STATURE, RESPECT AND PRESTIGE**

This results automatically when you implement many of the strategies presented in this report:
* Publishing newsletters
* Writing informative, educational ads
* Conducting seminars, particularly under the auspices of groups, associates or companies
* Becoming the medical director or the accounting consultant of organizations or businesses

In this way, you lift yourself up in the eyes of your community, becoming a local celebrity and gaining credibility and prestige. Advertising and promotion should be very understated, tasteful and ethical, designed not only to bring you business, but also to make you a distinctly known professional in your community."
In this chapter Jay Abraham has taken fifty separate kinds of businesses and applied quick-fix marketing solutions to them. These are the strategies he would choose if he could apply only one basic tactic to improve profits and increase sales immediately. All of these quick-fix solutions also apply to other business situations.

"CLOTHIERS:"

Most clothiers don't capture and use their customer names correctly. If anything, they send out one or two lousy mailers a year that don't really say anything or address the needs of their customers.

Here's what I suggest: First of all, capture all client names, addresses, and phone numbers. Second, categorize each customer according to areas of interest. For example, certain women will like exotic shoes, or more expensive dresses, or will need particular sizes, etc. When you get something in that you know they'll like, call them or mail to them immediately, and tell them about these items.

Third, when people come in, say to them (almost as a trial sales close), 'From time to time we get some wonderful things in, but they go very quickly. Since you're one of our better customers, would you like me to call you when something comes in? I'd be glad to hold it for you for two days, as long as you promise you'll come in.' This will build customer loyalty and response very quickly. Fourth, make deals with kindred retailers who have customer names - for example, beauty salons, restaurants, health clubs and spas, jewelers, furniture stores, draperies, cleaners, florists, photographers, etc. - and give one another reciprocal endorsement.

Here's how it works: If Acme Beauty Salon has a great clientele, a clothier could do a mailing for the beauty salon in which the beauty salon pays the expense to mail the clothier's list one time (the clothier keeps control of the list, so the names aren't released). The clothier writes a letter on the company's letterhead extolling the benefits of the beauty salon and saying that the salon has authorized him or her to make a special introductory offer. It can be a price inducement, something free for buying something, or preferential treatment. All the customers have to do is bring in the letter so they can be identified.

Then, the beauty salon owner writes a similar letter to customers extolling the benefits of the clothier and making a specific offer. The two businesses can make a straight trade - names for names - or pay a percentage, say $5 - $10 for each customer who buys. The important thing to keep in mind is, don't be stingy. Make your deal so appealing that it will be worthwhile to the endorser.

I can't resist the opportunity to digress here and remind you to calculate the marginal net worth or "lifetime value" of each new customer you acquire. It's the total aggregate profit you make over the life of an average customer. For example, let's say you mail 5,000 names and get 300 new customers. Each new customer buys three times per year at an average sale of $100. Let's say your net profit is 70%. Your total profit per year is
as follows:

\[300 \text{ customers} \times $100 \text{ sale} \times 3 \text{ sales/year} \times 70\% = $63,000.\]

As you can see, you can easily afford to break even, or perhaps lose money, on your initial sale to accrue the profit from repeat sales to a new customer. In fact, entire industries have been built and sustained on the strength of this one concept – e.g., insurance companies, magazine and newsletter subscriptions, book clubs, record and tape clubs, etc. Using this principle will allow you to increase your advertising and marketing budget while your competitors are cutting back on theirs. Guess who will come out on top?

WHOLESALEIERS:

Wholesalers, by and large, all sell the same thing, the same way, to the same customers, at the same price. To beat your competitors, you must create a Unique Selling Proposition for your company. If your product allows it, you can independently embellish certain things. For example, if the manufacturer’s warranty is 12 months, you can offer an additional 12-month warranty for your customers. Or, you can offer some additional service, such as toll-free, phone-in ordering; no minimum order; free shipping; special terms, etc.

Those things notwithstanding, the best way to get someone’s business is to help them grow their business. If you help a company grow its business, even if it has no direct relation to your product sales, they almost always reciprocate the gesture (and the profit you’ve contributed) by buying whatever you’re selling. So consider sending your customers a regular newsletter on profit-making ideas to help build their businesses. Also buy quantities of the best business books and send them as gifts with ‘Thank You’ letters.

MAIL-ORDER BUSINESSES:

Most people in the mail-order business don’t understand the residual value and ancillary worth of a customer name. After they’ve sold something to the customer, they merely try to rent the name out, without considering one important fact: If another company is renting our list and mailing to customers continuously, isn’t it obvious that they’re making money from your customers? Wouldn’t you rather make that money from your customers?

Here’s how: You go to these other mail-order operators and say, ‘Look, you’re already getting a good response from mailing to my list. But you’d get an even better response if your mailing pieces had my name on it, because my customers trust me implicitly and they buy anything I offer them. If you lend me your mailing piece, I’ll put my name on it and mail it out at my expense, and you get the names and half the profits.’ That one little twist can normally make you about five times the profit of merely renting your names.

LAWYERS:

Most lawyers don’t realize how powerful it is to educate the public. By this, I mean they
state your offer and guarantee elsewhere in the note.

If you do this, you will build a reputation as a real nice person. Selling is not yelling, and this understated approach is one of the most power ones you could use.

HOTELS:

First, realize that the cost to acquire a new customer is very high. The cost to keep a satisfied customer is very low. The key to success in the hotel business is to build such fabulous acknowledgement gestures into your procedures that people will be falling all over to get themselves a room.

Welcome the guest at the desk with a refreshing cold or hot drink, depending on the climate. Provide refreshments for the children while the weary travelers check in. Give them a check-in voucher good for bottle of wine, a poolside bench, a free movie, $10 credit at the gift shop, a boat ride, a dinner show, etc.

Have the manager send anyone checking into a minimum-dollar-rate room - say $225 - a wonderful basket of fruit, cheese, crackers, and an iced pitcher of freshly squeezed local fruit juices. Have the manager or the assistant manager follow up in two to five hours with a phone call, telling the guest how much the hotel appreciates their staying with them - and offering to do whatever is possible to make their stay wonderful. Conclude the call with an invitation to a cocktail-and-cheese party, show, or other event.

Provide shampoo and other niceties free. If all this sounds like it will cost an arm and a leg, consider this: By adding $20 extra onto the daily room rate, in a typical seven-day vacation, you'd generate $140, which would pay for all the extras. Also, not everyone will take advantage of all the extras you offer. But the mere fact that you've offered them these services free will stand out so favorably in their minds and wallets that they will sing your praises to all they meet. You will have maximum occupancy before you know it.

FINANCIAL PLANNERS/INSURANCE SALESPeOPLE:

For anyone selling advice, nothing is more powerful than a free seminar. Your seminars should offer incredible perceived value by applying a variation of the Market Test Principle. If you don't want to do a seminar, you could offer free consultations to qualified prospects in which you prove you can improve their coverage and long-term savings buildup. This is a prime example of 'reversing the risk.' Your closing rate will skyrocket and your bank account balance will, too.

BUS COACH TRAVEL COMPANIES:

I did a delightful consultation with a company that sold bus tours over the country. I taught them to use 'contrast selling' to emphasize and romanticize the advantages of bus travel over other modes of recreational travel. (In their catalog and other promotional literature, they had been almost apologetic about their perceived inferiority.)

I taught them to articulate and romanticize the advantages - the convenience (pickup at a central location); comfort; scenery; frequent stops; a way to meet people in a leisurely,
pleasant, fraternal environment; one package price includes everything.

I also taught them to downplay the disadvantages. 'Sure, it's not as fast a plane, but do you really want to get to Los Angeles that fast? Wouldn't you rather see and enjoy the Grand Canyon at your own pace, instead of flying over it for a fleeting view from a distance and missing all that beauty?'

Does your business have a hidden USP that you can bring out through 'contract selling' - romanticizing the advantages and benefits, and downplaying the negatives in a warm, congenial manner? If so, use it and capitalize on it.

**MUTUAL FUNDS:**

With this business (as in all businesses that must constantly generate and convert leads) the most powerful 'quick-fix' formula is this: 1) Experiment with headlines in your advertising, 2) Send out follow-up literature immediately upon receipt of a lead by first-class mail.

Anybody who knows me knows that I consider the headline of an ad to be the most important factor in its success or failure. And yet, even though they spend thousands of dollars on advertising, almost nobody tests their headlines (let alone any other parts of their ads or offers). If a better headline than the one you're using can bring in two or three times as many leads as you're getting now, what's that worth to you? Is it worth the extra expense and hassle of a one-time test? You bet it is! Once you discover this winning headline, it will pay off for you in increased profits for years to come (until you find another one that beats your 'control').

This is leverage at its best, because you'll spend the same amount on your ads, but get a much better return on your investment. It's foolish not to test.

Here's another pet peeve of mine: Most companies scrimp on follow-up costs. They spend all this money to bring in a lead, and then they try to find the cheapest way to convert the lead. How stupid! If you don't convert the lead, all that advertising money goes down the drain!

My philosophy is that you should be willing to spend at least as much to convert the leads as you did to bring them in. It amounts to spending half your budget to save the other half. (Actually, if you know the 'lifetime value' of your customers, you'll know exactly how much you can afford to spend to convert any lead, regardless of how much it cost you.)

Time is a great factor here that is often ignored. The value of leads diminishes in direct proportion to the amount of time it takes to follow up on them. When customers or prospects are interested, the time to pounce is immediately, before their interest wanes. I've seen people sit on leads for two or three weeks, expecting those prospects to be just as thrilled to hear from the salesperson as when they first called or sent in the coupon. If doesn't work that way. You've got to have the manpower and the operational setup to respond to your leads immediately, or someone will get them before you do.

Finally, once you have made the first contact with the lead, keep sending repeated follow-ups until it's no longer producing profitable conversions. Too many companies send only one follow-up piece, whereas I've seen successful follow-up series number anywhere from
five to eight contacts - sometimes even more!

Lead generating and conversion can be dramatically enhanced through smart marketing techniques. Don’t let the numbers scare you until you really know what they mean and how to manipulate them.

VIDEO RENTAL STORES:

I have an idea that can make any video store boom.

First, you must understand the behavior of a VCR owner. When they first get a VCR, they go crazy. They rent ten or 15 movies at a time, watching all the old movies they missed or haven’t seen for a long time. After a three-to-four month binge, the novelty wears off and they find themselves on a Friday afternoon at 5:00 p.m. at the video store, fighting with everyone else for the few copies of the three or four new releases. If they’re too late, they often leave empty-handed.

Here’s an idea that can easily double your video rentals. First, make all your sales personnel watch all the movies in stock on their own time. (They shouldn’t mind seeing unlimited movies for free.) They will soon become knowledgeable about all the movies in your inventory.

When customers start to leave the store empty-handed, stop them and say, ‘Excuse me, but what were you looking for?’ Let’s say they were looking for the new Woody Allen movie. You say, ‘Oh, do you like comedy?’ Probe them for their interests.

Then make this offer: ‘Mr. Customer, there are a few overlooked greats which I think you’d really like. I know we have them in stock. Why don’t you take them home, and if you don’t like them, then don’t pay us for the ones you don’t like. Fair enough?’

You’ll probably rent two or three movies to everyone this way, instead of letting them go out empty-handed because you couldn’t rent them the one they came in for. The customers will end up paying for all or most of the rentals. And you’ll probably increase rentals by $10,000 a month.

Here’s another terrific idea. Most people don’t take the time to have their VCRs reconditioned. They wait until the heads get so dirty that they can’t stand to watch the awful picture it produces, and then they take it in for cleaning - and then they go without a VCR for several days. You should make a special offer to your customers to recondition their VCRs for $100 and give them a free loaner VCR while you work on theirs. You might even offer to go to their house, disconnect their current VCR and install the loaner. (Why? Because most people hate to mess with this part of the process and therefore won’t take up on your offer if they have to do all the work themselves, plus go to your store to drop off their VCR and pick up the loaner. If just won’t happen unless you do it for them.)

Meanwhile, you arrange a joint venture with a good VCR repair shop that will supply the free loaners and take care of the removal and installation of the loaner. They get $50 for each reconditioning, which I’ll bet is far more than they make normally. And since the volume of work will be much more than they would ever get otherwise, it’s worth it for them to supply the loaners. For instance, if you get 500 people to take you up on it at $100 apiece, you and the repair shop will each make $25,000 on the deal! That’s a nice
contribution to your annual profit!

SOFTWARE PUBLISHERS:

This is a perfect industry to apply the Marketing Test Principle. You start off with two related pieces of software, each with a market value of $200. They cost you $5 to make, but you sell one of them for $29.

Then explain your motives: 'We believe that once you get used to using our software, you'll see that it's as good as software costing five times as much - and we think you'll only be too happy to pay $200 for this second software program which does this and that.' This approach is a real lead generator and list builder. Then vigorously work the back-end with more offers to get repeat business. Rent your list for increased income, and do all sorts of joint ventures with companies that would love to sell to your customers.

MOM-AND-POP GROCERY STORES:

As with every business that depends heavily on space advertising, test various headlines in your ads. You'll be amazed at the increased results one headline will get over another.

Also, make very attractive offers to generate new traffic. For example, I would give away something free every day. It doesn't have to be anything expensive - a package of toilet paper is a good example. You could give away a different thing every day so people have to read your advertising (make them bring in the coupon) or stop by to find out what it is.

Or perhaps you could run certain regular items in a weekly cycle so people consistently come into your store to get them.

The key is to get them coming to your store on a regular basis, and giving away free items is just a cost of advertising.

In contrast to the chain stores, project a warm persona that reflects the store's atmosphere. There's a small chain in Southern California called Trader Joe's that, in my mind, is one of the best 'grocery store' marketers in the country. Their niche is that they carry unusual items not found in your typical supermarket. (For instance, in addition to natural peanut butter, they also have cashew butter, almond butter, macadamia nut butter, and all kinds of cheeses, wines, vitamins, nuts, juices, breads, muffins, etc.).

Anyway, they mail out a twenty page brochure five times a year called 'The Fearless Flyer' that's full of charming, yet informative, articles on their products, including value-to-ounce price comparisons, food content, nutrient value, how they're able to make such extraordinary offers, and local, homespun philosophy. You should consider mailing out a similar brochure every three to eight weeks. Rent lists of local residents and mail to all your customers.

What? You don't have your customers' names and addresses on computer? Then set out immediately to capture these names through in-store promotions such as drawings, sweepstakes, etc. Drawings are usually the best, with 'Free Groceries For A Month' being
something that no customer could possibly turn down. You can also get names and addresses from checks and credit card slips. Also use in-store demonstrations of your products: free coffee, cheese and crackers, yogurt, ice cream, etc. to generate store traffic.

Don't forget to fully exploit co-op deals with all your suppliers. Many suppliers make co-op advertising funds available to retailers if you ask.

BANKS:

Banks have two types of customers - borrowers and lenders - and each want different things. The key to successfully marketing to these groups is to segment your list in as many ways as possible, according to the type of customer and his/her degree of sophistication. Then develop specific offers for each segment of your list and regularly solicit each group, offering specific services.

This should be done by computer-personalized direct mail, and by having your customer-service representatives call the better customers when they're ripe to refinance a loan, roll over a CD, or whatever. Thoroughly explain all charges and costs involved, but do things like waive a refinancing fee or other gesture that will pay goodwill dividends forever.

CREDIT CLEAN-UP SERVICES:

First, locate your market. You can buy lists of mail-order respondents who are not credit-worthy. Also, car dealers are a good source of names of people who couldn't buy a car because of credit problems. Work with several good list brokers who can counsel you on the best lists for your offer. Test many lists and mail all those that are profitable.

Second, educate and inform your prospect. Write warm, yet informative, letters filled with facts, forms, case histories, testimonials, procedures for letters and telephone correspondence, etc. Offer a free report on how to obtain, interpret, and understand a credit report.

Third, approach other mail-order dealers to include your mailers to their lists for 25% to 50% of the profit.

LOAN BROKERS:

Send personalized letters to your prospects. Warm, personal letters will sharply stand out against the cold memos most finance companies send out. Educate and inform your prospects with newsletters, booklets, and reports such as 'What To Know Before You Borrow Money.' Offer valuable premiums such as books, tapes, etc. for new borrowers. Offer preferred rates to new borrowers using the Marketing Test Principle. Offer free informative seminars. Ask all customers for referrals. Test all prospecting letters for the best-pulling offers. Set up joint ventures with retailers in which you'll finance their deals in exchange for discounts to your customers.

IMPORTERS:
I once consulted with an importer/wholesaler of Oriental rugs. The ideas I gave him can be applied to many similar businesses.

Instead of leasing/buying a 30,000 square foot showroom, locate retailers who reach your target market (restaurants, car dealers, furniture showrooms, etc.) Make written consignment deals with trustworthy businesspeople to display your wares for sale in their places of business. Specify that the rugs remain your property and can be removed at any time. You'll call back or visit every two weeks to take inventory, replace sold rugs, and collect a check for rugs sold. Offer 50% of the gross to make it exciting and attractive to your joint venture partners. If you locate 50 outlets, place 1,000 rugs, and sell 200 units per month; and if you make $40 per rug on the average, that's $8,000 per month profit you'll make with negligible risk and no increase of overhead!

PLANT SERVICES:

I recently helped a service selling indoor and outdoor plants, trees, etc. They had about 2,000 customers, about 20% of whom generated about 80% of their business. I told the company to call these customers personally and offer to contact them right away when special things come in that you think they might be interested in. I told them to give those customers a preferential first chance to buy new items.

Another idea: Set up a service whereby you hire people on commission to take twenty or thirty plants by your customers' homes or offices, and simply leave what they like. (You've already inventoried what they have. You're selling related items you think they'll like.) Also sell accessories such as pots, fertilizers, etc. Take your charge card machine with you. Your sales will boom with no added overhead!

I must digress again to point out something which I hope is very obvious to you at this point. Go back and reread my commentary on Clothiers. The marketing techniques I recommend for Clothiers and Plant Shops are identical, with slight variations in application. It all boils down to four basic steps:

STEP ONE: Capture the names and addresses of all your customers.

STEP TWO: Systematically contact all of your customers and ask them for more business, starting with your best customers.

STEP THREE: Offer a special inducement to the customers whenever you ask them for more business.

STEP FOUR: Continually look for added products or services to offer to your existing market - either by yourself or through joint ventures - so that you continually redeploy your marketing assets.

Whether you're a clothier, a plant shop, or whatever, you have a strategy here that can make you a ton of money. Just remember that you're a marketing company selling a product or service, and these concepts apply to you no matter what you are selling.

OFFICE EQUIPMENT COMPANIES:

One such company I consulted with set up coin-operated photocopying machines in drug
stores. They came up with a special customer card good for 100, 500, or 1,000 copies. They found that if customers used 100 copies or more, they kept reordering cards.

The company increased its average order dramatically and boosted cash flow tremendously with prepayments from the cards. They asked me how to sell more cards. I told them to hire college students or retirees. Give them cards which normally sell for $15 that they may sell for $7.50, and they keep all the money, provided: They turn in all the money, a name, and an address to you first (to prove they actually sold the cards) - you'll cut them a check in a week, after the customer's check clears the bank.

As you should already realize, you can afford to break even (or even lose a little bit up front) in order to get a new customer, because of the lifetime value of that customer. Put a pencil to it and see what a new customer is worth to you over a year's time. You will then know how much you can afford to spend to bring the customer in. Next, craft the most attractive offer you can make to get that all-important first sale.

QUICK-PRINT SHOPS:

Here's a simple, powerful way to make a quick-print shop grow like crazy. Offer free pickup and delivery. Hire sharp-looking men and women to pick up and deliver to area businesses, paying them by the hour or giving them 10% to 15% of the job. Offer your customers OD or an open account. Guarantee delivery: If a job is picked up by 11 a.m., it's back by 4 p.m. (or if it's picked up by 4 p.m., it's back by 11 a.m. the next day). You'll expand your business exponentially in all directions, all on contingency, with no increase in fixed overhead!

MINI-WAREHOUSE (SELF-STORAGE) FACILITIES:

Put a team of college kids to work, calling all the classified advertisers in local papers (including 'throw-away' papers) who offer goods for sale or are having garage sales. Offer a special deal to all who might be interested in storing the excess goods they don't sell. (Pay the callers a commission of, say, 50% of the first month's rent.)

You can offer the customer a free month's rent if they agree to a minimum of three months. Or you can offer free insurance, free move-ins, and access to free extra space for up to two weeks a year to anyone who signs a rental agreement for a year. Hire these same college kids to call local businesses that might need storage space and make the same offer. The same college kids can provide the free move-in services for an added percentage, thus saving harried businesspeople the hassle of moving the stuff themselves.

NEWSLETTER PUBLISHERS:

I've spent many years publishing my own newsletters, while at the same time boosting sales and profits for many other publishers. I've used the Marketing Test Principle, renewal inducements, joint venturing and other concepts. But one of the best techniques was originated by Howard Ruff for his newsletter, 'The Ruff Times.' It's called the 'Name Your Own Price' offer, and had made a fortune for many who have used it properly.

It's an embarrassingly easy way to get non-responsive leads or renewals to respond. You
mail a letter with this posture:

'Mr. Prospect, we've tried in vain to get you to subscribe to our newsletter. We honestly feel it's worth many times our $69/year subscription price, but we realize you may not feel the same way. But you must feel it has some value to you. We want you (or we want you back) so badly that we're willing to let you subscribe at any price you feel is fair to try us. Let us tell you, however, that it costs us $28/year to produce this newsletter, so we ask you to be fair and at least cover our costs, and hopefully let us make some profit on the deal. Here's how it works...'

This gambit works for many different types of businesses. Possibly yours!

It's important in this approach to openly and honestly explain your motives. You want to get them back in the fold because you know that once they experience the benefits of your product or service, they'll want to renew at a full rate later; you have other products or services you want to sell them that you know they'll enjoy; etc. Also, be sure to tell them what your minimum expenses are, or set a floor so you aren't taken advantage of. All in all, this is a very powerful device when properly implemented.

INVESTORS:

You can use my concepts to passively invest $1,000 to $5,000 in seed money, and turn a 2,000% annual profit on the upside with no more than a $250 to $1,000 risk on the downside. All investors should realize, however, that investing in new ventures - based on pro forma financial statements, sales projections, marketing studies, and ratios - is riddled with potential pitfalls if they aren't familiar with the realities of a specific market.

Here's one way to minimize downside risk and receive a first-class education as well.

Good deals are a dime-a-dozen. There's practically a new good deal every day. If one comes your way, and the numbers are foreign to you, then spend the time to look at 100 deals before you commit time, emotions, and money. Call other people in that field and ask their opinion before you commit. Or try to sell the deal to somebody else.

NEWSPAPER PUBLISHERS:

Every publisher should answer one very important question - do you really deliver the market (the readership) you claim you do? If the answer is yes, then try one of these two approaches with your advertisers. These approaches have worked successfully for newspaper publishers I've consulted with.

NUMBER ONE: As long as the advertiser will agree to run a specific, irresistible offer in your paper and nowhere else, you'll run one ad free, provided that if you deliver an agree upon minimum response performance (e.g., ten TV sets sold), the advertiser will sign a one year contract to run ads in your paper at full rate.

NUMBER TWO: If you can't get them to advertise, offer to joint venture with them. If they'll run all their advertising with you exclusively - for an agreed upon minimum size and frequency - you'll let them have that space for free as long as you get a certain percentage of their gross sales.
for the coming year.

Both approaches have been tried successfully. I would test and analyze both approaches to see which one works best for you.

CARPET COMPANIES:

One such company I consulted with had 10,000 names of customers they had collected over five years. They had never called the customers or mailed to them. Not even once. I told them to mail to their list, testing several different offers - price reduction, free installation, free bonus (a special rug or a set of throw rugs), etc.

Then, of course, (and I hope this is obvious to you by now) I told them to set up joint ventures with kindred companies - rug dealers, carpet cleaners, draperies, furniture stores, interior decorators, etc.

Which leads me to my next example. . .

CARPET CLEANING COMPANIES:

Several approaches work well here.

For commercial buildings, offer one month’s free cleaning with one stipulation: If you do a more satisfactory job than the people they’re currently using, they agree to give you a one-year contract at the same price or slightly less than they’re currently giving someone else.

For residential customers, give one cleaning free in return for a one year contract at $50 a quarter, for four cleanings billed automatically to the customer’s credit card. This locks up $200 per year per customer, forever.

One company I consulted with tried this and immediately boosted their sales by 12%, improving the company’s closing ratio to three out of five. That’s a 60% closing ratio! And they hadn’t even begun to finish working their entire list!

Don’t forget to approach carpet companies and offer to joint venture with them. The carpet company can make your offer to their customers as an inducement to buy their carpet!

RESTAURANTS:

Regularly visit other restaurants of all types in your area. Take detailed notes on what turns you on or off about the atmosphere, persona, service, food, entertainment, special gestures, decor, etc. Play customer and see how their treatment differs from your own.

As far as marketing goes, the most important thing you must do is capture the names and addresses of all your customers. Here’s one way: Have each waiter or waitress give a card to each customer after they’ve enjoyed the entree and are lingering over coffee or dessert, and tell them about a free drawing you’re having - a gourmet dinner for two, complete with champagne and caviar! In a few weeks, pick a winner and send them a
letter they can bring in for their free meal. Also, send everyone else a letter offering a second prize of a bottle of champagne, free appetizer with the next dinner, free dessert, etc. Make it good for one month, provided they bring the letter with them.

Set up joint ventures with local artists whose works fit your restaurant decor. Display their wares on your walls and offer them for sale (and, coincidentally, decorate your restaurant for free).

Needless to say, mail your list frequently, testing all types of offers. Then test other lists - local residents, special groups (such as 'Dentist's Special' or a 'Lawyer's Special'). Remember - collect names and addresses, ask for the business, and offer a strong inducement. You'll run rings around your competitors.

BEAUTY SUPPLY DISTRIBUTORS:

If your product is no better or worse than your competitor's, and your prices are about the same, then the best thing you can do is help your customers make more money.

Give them ideas on how to make their advertising more effective; how to service their customers; how to capture their customer names and render a noble service to their customers; how to work the back-end for repeat business. Your USP becomes the valuable and unselfish service you render in improving your clients' business.

FRANCHISORS:

If you're selling a franchise, test different headlines and specific offers. Process the leads immediately. Mail follow-up material by first-class mail. If your incidence of franchise success is high, then offer a guarantee that if they're not satisfied with their level of success after, say, six months of concentrated effort, then you'll take back all unsold inventory and refund their full franchise fee. What a USP!

Also, go to all your active competitors and offer them a flat fee or a percentage of profit for all the leads they can't convert, after they've mailed their last follow-up piece. By the way, 5% to 10% conversion is good in this business, so you'll have plenty of leads to work with from people interested in franchises. Your offer may push a hot button that your competitors didn't push!

FLORISTS:

Hold a drawing for 'Free Flowers For A Year - A $200 Value' in order to capture names and addresses of your customers. Give the winner a special arrangement that's appropriate for each holiday, birthday, anniversary, spouse's birthday, and other special occasions. On the drawing card, have each customer give the dates of these special occasions. Then send a personalized letter ten days before each occasion, reminding them of it and making a special offer so they buy their flowers from you.

Here's a way to lock in dozens of customers and produce tons of front-end cash: Offer your customers a reduced rate on all the flowers they buy if they'll pay in advance for them now (or in quarterly installments on their credit card). Your pitch would go something like this: 'The price of flowers is going up all the time. A year from now, a
dozen roses may cost 50% more than they do now. There's nothing we can do about that, but here's a way you can avoid those price increases and still get the fine quality flowers you've come to expect from our shop. Simply pay us "in advance" for the flowers you expect to buy during the coming year. We'll even sell them to you below today's current prices, so you're actually getting a double savings!

Then add some rationale for why you're doing this, such as: We're going to expand our store and make a ton of new renovations that we've been wanting to do for a long time but didn't have the money for. With this prepayment plan, we'll be able to generate the capital we need without having to take out a loan and pay all that interest. We're therefore willing to give you an enormous price savings on all the flowers you buy, and we're more than happy to pass the savings on to you since we won't have to make payments on a loan from the bank.

This can work for any kind of business in which the customer's future purchases are more or less predictable. After all, a sale today is worth two sales next month - and who couldn't use an enormous increase in cash flow? Be sure to use the rationale to explain why you're making such an incredible offer. Don't make it sound like you're hurting, though, or people will be reluctant to give you their money for the future.

OFFICE SUPPLY STORES:

Just about every marketing principle I teach can be applied to an office supply store. It's a veritable gold mine of profits if approached properly.

The absolute first thing you should do is capture your customer's names and addresses. Almost none of the office supply stores I've ever been in do this. They just take your money over the counter and that's it. Once you get your list together, mail special offers to those customers. Remember - your current customers are your best prospects for future business. Before you try to get a new customer, sell to an existing customer first.

When you're ready to do some 'prospecting' to find new customers, the most effective medium is direct mail to smaller businesses in your market area. Offer a free calendar or paper clip holder to anyone who comes in by a certain date. Hire people to give free delivery on regular routes to area businesses for 10% to 15% commission. Use eight to twelve pages catalogs for your customer list, with advance notices of special offers. Set up joint ventures with a local print shop to mail to each other's list.

Reread the Quick-Print Shop example. Try using the same young men and women to pick up and deliver for both you and the printer.

By 'piggybacking' your distribution, you'll help ensure more loyal, prosperous employees, since they'll make more money doing 'double duty' for both of you.

BAKERIES:

Mail to your local area, offering free samples of your 'homemade' apple pie or cheesecake. Set up a free drawing for a special cake, a dozen of their favorite donuts every week for a year, or whatever. Use a huge sign in high-traffic locations to announce 'Free Cheesecake' to stop traffic and pull in the crowds. Capture names, addresses, and birthdays of all family members. Send a letter with a special birthday cake offer. Give
special offers for weddings, graduations, catered parties, etc. You’ll be amazed at the amount of front-end traffic this will bring you. If you deliver quality goods, they’ll come back again and again.

TELEPHONE ANSWERING SERVICES:

Offer the first month of service for free. If they’re not delighted, they don’t pay. If you perform well, they agree to a year’s service in advance. Again, you’re building cash flow.

Start working on renewals three to six months before the service expires. Offer special rates for advance renewals. Mail special offers to new business start-up (look in the newspaper for DBA’s) and professionals of all kinds in your area. Ask the local office supply store to send an endorsement letter to their customers, recommending that if anyone needs a good answering service, they should hire you.

PET SHOPS:

In high-traffic locations such as malls, have your cutest puppies or kittens on display where they’ll stop traffic. (You’d be surprised how many pet shops just throw any old thing into the front window, and sometimes nothing at all. I’d stock ‘cute puppies’ continuously just to bring in traffic!) Whenever some exotic or unusual animal arrives, give it a name, a story, and a persona. If you can get an especially talkative parrot or a smart dog that does incredible tricks, make it your store’s main attraction. Then offer free classes on how to teach birds to talk, how to teach dogs to do tricks, how to handle snakes, etc.

Go to a good direct-mail list broker and ask for help in getting a list of animal lovers in your area. These names can be obtained from magazine subscription lists, animal-protection donor and membership lists, and membership lists of animal show clubs. Your local veterinarians are also a good source of names. Send a direct-mail letter offering free products that everyone would love to have. (See the grocery store example above.) Ask each customer what his or her interests are - exotic fish, birds, certain breeds of dogs or cats, etc. - and store this in your database of your computer so that you can segment your list and make special offers to each particular group. For instance, you can mail special notices when something comes in you think they’ll like.

Much as with the florist example above, offer a year’s supply of dog food, bird seed, etc. for a reduced rate for advance payment.

ACCOUNTANTS:

Offer an entire year of professional services for a flat advance fee - tax planning, informal or formal audit, etc. Offer free consultation to custom-design a plan to your customers’ special needs from an entire menu of your available services. Mail out regular newsletters, explaining the latest wrinkle in the tax laws and how it affects them, and making a specific offer or recommendation. Give good books on investing - or any topics related to the business of living - just to build goodwill. Don’t forget to set up reciprocal endorsements with kindred professionals, either on a name-for-name basis or for a percentage of profit.

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DRY CLEANERS:

Mail to local resident lists, offering a free dry cleaning for first-time customers to get them acclimated. Offer a year's unlimited dry cleaning with a stipulated maximum number of garments for a one-time advance payment. Set up joint ventures with clothiers whereby they can offer your services to customers at a reduced rate, or an introductory free month's dry cleaning, as an inducement to buy a certain minimum dollar value of suits, dresses, etc. Or you can set up a simple reciprocal endorsement. (Reread the Clothiers example.)

LIQUOR STORES:

Mail to local residents and subscribers to such magazines as Bon Appetit, offering a bottle of wine every week for the next 52 weeks for an advance payment now, adding a set of wine glasses, a corkscrew, and an ice bucket. Also test a 'Wine Lovers Club,' where they get invitations to free wine tastings which you host, either at local restaurants (joint venture), private homes, etc.

You can also make your 'Bottle of Wine a Week' offer an educational and cultural experience by having a wine expert (or yourself, if you are one) write a description of each different wine, extolling its virtues, its history, suggesting what foods to use it with, etc.

HEATING AND AIR-CONDITIONING SERVICES:

Your competitors probably come out on a call, repair the unit, and go away. The customer never hears from them again.

You should call your customer the next day to be sure the job was done right. Send a warm, personal 'Thank you for choosing my company' note, reminding them of your commitment to follow up on every job, your 100% guarantee on all repair work, etc. Also, offer 24-hour-a-day, seven-days-a-week service. Explain how there is no extra charge for weekend or holiday service. Offer twice-a-year, complete maintenance checks absolutely free.

This will help your business because it shows your concern and gives the customer peace of mind. Also, it locates potential problems before they turn into expensive, inconvenient emergencies. Early detection for preventive maintenance will generate more than enough money in scheduled repair charges to pay many times for the cost of the 'no charge' free maintenance checks.

ADVERTISING AGENCIES:

Most agencies are content to run the same old ads, collect their 15% commission, and leave it at that. But you can build a money machine by engineering a PI (per Inquiry) deal for a percentage of the profit, by using direct-response advertising, specific irresistible offers, testing your headlines, engineering joint ventures, and applying my marketing concepts. You can turn your advertising agency into a 'marketing agency.'

MEDICAL SPECIALISTS:
One MD I consulted with specialized in treating chronic head and facial pain. He had a 90% success rate in relieving symptoms, but almost no way to get new patients except through referrals from other doctors. And most were reluctant to admit their inability to treat hard-to-diagnose conditions.

I suggested writing a booklet explaining how to relieve chronic 'untreatable' pain, which he would give to doctors for their waiting rooms. If you're in a similar situation, you can advertise the booklet on radio and in newspapers, and through PI deals as a lead generator. Follow up with mailings and phone calls to booklet buyers offering free seminars on how to deal with neck, joint, and facial pain. You'll produce an endless stream of new patients through hands-on demonstrations. To enhance your credibility, produce articles for trade and consumer publications, and offer to appear on TV and radio talk shows. Through this increased exposure, you will undoubtedly increase your patient base.

DENTISTS:

Get all your patients listed on a computer. Mail twice a year, asking directly for referrals explaining that referrals are the only legitimate, effective means by which you can maintain growth in your practice. Also, mail to inactive patients, asking what you can do to help them. Send Christmas cards, birthday cards, handwritten notes after visits, etc. Make them feel they're special and that you appreciate them as people, not just for their money or the business they bring you.

Mail to all current patients, extolling some great item you have just come across (a great novel, for example) which you are giving to them as a free gift. As an aside, of course, ask them to keep in touch for preventive dentistry, and to refer their friends to you.

RESUME PREPARATION SERVICES:

Approach employment agencies and offer to set up résumé-writing services in-house, at no risk to them, and they get 25% of the profit. Many agencies get people in the door whom they can't place, or who are not presentable, or whatever. You can show them how to capture that market and make money while helping the job hunters make themselves more marketable with a powerful résumé.

Also, advertise résumé writing by mail. Test the Wall Street Journal, Ad Week, the help wanted sections of metropolitan newspapers, etc. Write a book on 'The 100 Best Résumés We've Ever Seen,' and offer the book by mail, through employment agencies, and even through conventional bookstore channels.

PHARMACISTS:

Assuming prescriptions and prices are all about the same, one powerful USP would be free delivery within a mile radius, and $2 outside the radius. Mail to local lists offering free delivery. If you're in a chain store or supermarket, joint venture with the main company so that you both use the delivery service.

Here are three examples - not of businesses - but of groups of people who could make good use of the marketing principles I teach:
RETIREES:

Retirees can take the techniques I teach and approach all sorts of businesses that have assets they are not redeploying - customer names they don't mail; goodwill relationships that could be joint ventured with somebody else; sales closing techniques; sales solicitation and promotional techniques; advertising concepts, copy, and campaigns; production techniques, etc. With no investment except your time, you can act as an intermediary to acquire the rights for yourself and then joint venture with somebody else. Or you can act as a broker on behalf of businesses, bringing them deals for 20% to 25% of the profits you bring to the business.

If you have money to invest, you can go to these same companies and offer to put up the minimum amount of money necessary to test a customer list on a joint venture, with you getting 50% of all the profit. You can make a pile of money if you only stalk companies that are so favorably disposed to my concepts that it's about a 90% setup - companies with names they've never mailed, and so on. If you never risk more than about $1,000 per transaction, your potential downside risk is never more than a few hundred dollars, but the upside potential is 20,000%!!! If you do three or four deals per year, how would that change your life?

EMPLOYEES OF COMPANIES:

Presuming you're competent, presuming your job is not in jeopardy, and presuming you understand how to apply my concepts, your advantage here is the specific knowledge you have about your company's untapped assets and how they can be redeployed.

Go to your employer with the following posture: "I have aspirations to be an entrepreneur, but I really love this company and I'd really like to grow with it. If there's no established procedure, I'd like to ask the following. If I can come up with business adjuncts that we're not involved in and not planning to be involved in, and that will augment rather than supplement anything we're involved in, and if I am willing to finance all the activities myself and I am willing to expend my own time, and if it requires any other personnel I am willing to engage that personnel, would you allow me to have 50% of the profit the new project brings to the company - forever - with the understanding that if I ever leave the company, you have the right to buy it out from me at an agreed-upon price?"

You may want to settle for 25% for five years and then sell out, and give the company complete editorial control and approval of what you're doing. If the company doesn't want to buy you out, then you want the right to compete with them in a similar endeavor if you ever leave the company. It's a power approach that could net you more in profits than your regular salary!

ENTREPRENEURS:

Entrepreneurs must understand that my marketing leverage techniques are designed to increase the velocity of cash flow and direct more of it into the hands of the person applying the techniques.

You can buy companies that are stodgy but marketing-acute for little or no money down.
or else option those same companies - contingent on certain specific performance. During the option period, you can try three or four of my concepts to revalidate that they will work for you in this business. If they work, then you can exercise your option, buy the business, use the enhanced cash flow from applying my techniques to service all the debt, increase the volume of sales and profit, then sell the business a year later at a profound profit.

Another approach is 'Concept Brokering'. You can sell or license these concepts within your industry or in kindred industries, that either make or save people money, for a percentage of the increased profit. Or, you can hire people to do the brokering for you, train them in my techniques, and split your profits with them. Can you see the possibilities here?

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Let's stop here. We've applied my marketing concepts to several dozen different types of businesses. Do you see how it is all done? Let me give you an analogy. Think of an accomplished musician. To become a virtuoso, he must master the notes of the scale. Then he learns which combination of notes (chords) sound good together. Then he adds nuances such as varying volume, tones, and accents. Then he simply combines and recombines all the basic elements of music into countless creative variations, to the delight of his listeners.

As a budding 'marketing genius,' your task is to combine and recombine the basic marketing concepts I've taught you into new and creative applications to your specific business. Most of the concepts work beautifully and harmoniously in combination with one another. By testing everything and using what works on a continuing basis, you can create a money machine that just won't quit!
This chapter includes some of Jay Abraham's more complex concepts. Nobody expects you to plunge right in and put everything he teaches you to immediate use. However, by starting modestly you can ultimately master these techniques.

"If you've developed advertising, promotion, merchandising, sales pitches or inventory-control techniques that are superior to the norm in the industry, you should be able to sell a license to hundreds of related and unrelated firms. It only requires the ability to market an intangible (your concept) and imbue it with the perception of value.

I've resold early renewal concepts over and over again, earning over $300,000 for the same one. I've licensed old ads for $15,000 plus a royalty. I've resold mailing pieces for variable fees and earned $30,000 in found money. I've bought ads for $1,000 and resold them for $10,000.

What can you sell for a fee plus a percentage of the profits, or sales or savings?

Here's an illustration of how to license your own concepts -- advertising upselling techniques, cost saving ideas, whatever. You go to Mr. Business Owner:

'I have an advertising technique that will out-produce the one you are currently using by 20%-30%. I'll let you use it for a fee that is much less than the amount it will make you in profits and you only have to pay me the fee after the technique has proven itself.'

You need to take a different viewpoint on what your assets are when employing this strategy.

"Besides the more obvious assets such as personnel or your customer list, you also have ads you no longer use, techniques you have mastered, ideas for productivity, cost-saving or sales strategies that you can license and sell to other people.

Your obvious assets are on your balance sheet: your building, land, machinery and equipment, vehicles, inventory, materials, cash in the bank, receivables, etc. But to get ahead, focus on the 'hidden' assets that you have: your customers (active and inactive), your prospects (whether you identify them individually or not), your sales resources -- a field sales force, an inside telephone sales force, sales clerks -- and your advertising. You probably have a strong 'franchise' -- the image or position your company has in the marketplace. Other intangible 'assets' include relationships you've cultivated with important customers, perhaps the ironclad hold your company has on the biggest department. These relationships probably took years to cultivate and solidify.

Equally as valuable are strong relationships with vendors, suppliers or advertising media. Other assets you've probably failed to identify include proprietary techniques you have used successfully to build your business. These include methods of closing sales and of solicitation, promotional techniques, advertising concepts, copy, campaigns, and special packaging of product or services in unique formats that are more profitable or appealing than those used by competitors. Even more abstract, but equally valuable, are key employees, salespeople, manufacturing and service managers.
All these overlooked assets can be turned into real cash flow, year after year and that cash flow can come from directions you never thought of. Just by recognizing you have these type of abstract assets will give you new ideas to make money.

**Here's a twist wherein you educate others on Jay Abraham's concepts.**

"If you are self-employed, unemployed, or retired, take the marketing ideas you learn from me to the most likely business prospects in your area. Before revealing any of these ideas, ask them:

'If I bring you a dollar you never before had, will you give me back a quarter?'

Almost any business will accept that concept. Have them sign a simple 'non-competitive,' confidential 'Intellectual Property Agreement,' acknowledging that these ideas are your property, and that as long as they use your ideas they will pay you X% of the gross.

After getting the signed agreement, reveal the ideas and implement them. It'll take a few weeks or months before you see the money roll in, but if you apply a few of my ideas, you should make tens of thousands of dollars.

If you work for someone else, identify specific techniques and marketing concepts that could be applied to your current employer. Once you've identified the most appropriate concepts, tell your employer you'd like to set up a separate profit center on your own time to apply these techniques. Ask for either a percentage of the gross sales, the gross profit, or the net profit, for initiating and managing the profit center. If you do it on your own time, you can ask for a percentage on top of your salary."

**Jay goes beyond marketing your own ideas or his ideas to marketing someone else's ideas. All of these ideas are selling knowledge for a fee.**

"Find what other people are doing right -- and teach businesspeople how to copy them.

There are a lot of ways to license other business owners' techniques and 'relicense' them to other businesses in noncompeting markets, even in entirely different industries, and make a lot of money. The easiest technique is to license something you already know you want from somebody.

For example, if a business owner has a technique or a procedure that you're interested in. Simply approach the business owner and say:

'Mr. Business Owner, I'm really impressed with the way you do this. I would venture to say that you probably are 100% more profitable, using this procedure than most others in your industry. In fact, the same techniques would probably apply equally as well to related industries.

'It's wonderful that you've got this technique, but beyond your business here in Des Moines, the probability of you ever using it anywhere else in the United States is remote. I think I could persuade thousands of businesses outside your area to pay a usage fee for the privilege of adopting your technique. After all, why wouldn't they pay if it makes them a lot of money?'

To actually license business concepts, try this pitch:
I want to license your concept and sell it to the marketplace. I'm going to put up my own time, my effort, the telephone, the travel, the expense, the postage and the advertising. I want to give you 25 cents out of every dollar I make, as long as the licensees continue to use the concept.

'If I am right, it is possible I can make you more income in royalty payments than you could make in your business. I would like to arrange a licensing agreement. I'll tell you in advance who I'm proposing a license to, so you have to agree with each one.'"

In the following interview Jay teaches a real estate agent how to make use of her knowledge to educate others as a way to gain leads or for a fee.

"Alice has been in real estate for many years. She was ready for a change, but didn't know what to do next. In this consultation, I showed her several ways to capitalize on the knowledge she already had. As you read this transcript, be thinking of ways to do the same thing with the knowledge you already have. Properly presented, that knowledge could be worth a fortune to other businesses.

Jay: I read your material and I have a couple of questions. Give me just about a three minute background on yourself. Help me to understand what you want most.

Alice: I'm currently working for a developer. Our city is pretty depressed and he is no longer able to afford my services.

Jay: O.K., you have been actively involved in development, contracting, and construction.

Alice: That's correct, for the last eight years. Before that I was in real estate property management, principally condominiums. And before that I was a secretary.

Jay: The condo markets collapsed too?
Alice: All real estate has collapsed here.

Jay: You are now licensed to be either a broker or sales person?

Alice: Yes, I am a broker so I could go solo.

Jay: Would you go into residential, commercial, or both?

Alice: It would probably be residential.

Jay: What you sent me were a lot of ads for foreclosure properties.

Alice: Yes. That company in the ad is a mortgage guarantee insurance corporation who ended up with a lot of property.

Jay: When they list a foreclosure property, are they steadfast in the asking price or is there flexibility?

Alice: There is a lot of flexibility.

Jay: I'm looking at an ad where they're asking $68,000. Might that house sell for a lot less or is that a firm price?
Alice: It could and we have sold items like that for $35-40,000.

Jay: It depends on how desperate they are to get rid of it.

Alice: They're pretty desperate right now.

Jay: O.K., is there anybody that specializes in foreclosures trying to teach the buyers how to capitalize on foreclosures? I'm talking about people who are looking for prospects, but are also trying to teach them. In other words, 'If you're looking for a foreclosure to buy, here are twenty ways you can improve your chances of getting the deal of a lifetime.' Is anyone doing anything like that?

Alice: Not to my knowledge.

Jay: What if I set up an arrangement where you run ads, put on seminars where you address groups of people looking to buy houses and teach them how to take advantage of foreclosures? Is that something you can do comfortably or is that something out of character?

Alice: I'm very intelligent and I'm very organized and I would have no problem organizing a seminar like that.

Jay: I try to teach people to disseminate valuable and useful knowledge that can be so appealing and profitable that if somebody is willing to give that knowledge free without obligation they must be incredibly valuable to advise and work with.

Would you have the knowledge to put together a two-hour or 90-minute seminar on the subject: 'How to take advantage of foreclosure properties. When a price is negotiable... when to make offers... How to feel people out... How to know which properties could conceivably sell for half the listing price'? You want fascinating and appealing specific how-to information about purchasing foreclosed property.

My first recommendation to you is what I think your USP (Unique Selling Proposition) should be: 'If you're going to buy a foreclosed property for $49,500, you should know that you might be able to get it for $25,500. I'm going to put on a seminar. And I'm going to teach you twenty ways to enhance the deal you get when buying a foreclosed or repossessed home.'

You would either run ads or you would mail letters out, depending on the financial dynamics. You indicated you could afford to put capital in, but the question is do you need to? If you go to a big realtor who has more to gain than you and you say, 'Look, I'll put together the promotional concept if you front the advertising, and the advertising costs will come off my commissions,' do you think that anyone would do that?

Alice: Sure, you bet.

Jay: I'm a great believer in going to people that have more to gain than you do. In other words, a real estate firm that's got a 10,000 square foot office and an overhead of $20-30,000 a month and maybe hurting has more to gain by you being successful than you do. By that I mean if you can get them to advance or share the cost of running retail ads to promote seminars-- that would be wonderful, wouldn't it?

Alice: Yes, and in fact, one of the largest ones in town already has a full real estate
school where they put on a number of things.

Jay: Do you have skill in advertising and marketing?

Alice: No.

Jay: You have to come up with a program that can be repeated and spans the market for prospects. You seek to identify people who want to buy a home who have decided they want a foreclosed property and don’t really know the different ways to bring the selling price down.

In your ad, you want to have a headline such as: 'How to reduce the price you pay for any foreclosed property.'

The copy would say: 'Foreclosure specialist, Alice E. Jones, will hold a 90-minute seminar for serious buyers interested in snapping up values on foreclosed properties. The seminar will reveal proven but overlooked ways to dramatically reduce the final selling price.' Then you include bullets that list provocative items that you will reveal at this seminar that are genuinely enticing. For example, 'How to tell which properties have the most price flexibility (a ten-point strategy).'</n
Then at the end you list twenty different provocative topics or subjects or fascinating negotiating techniques you will reveal at the seminar, plus you offer to talk about ten actual case study examples of where this paid off at 50% of the asking price.

You can’t promise that that will happen on every house they buy, but you can tell them that by being armed with this material and by letting you represent them in search of their desired house, the odds are good that you’ll help them effect an incredible buy far below asking price on a wonderful foreclosed home.

Then you tell them in the ad, that attendance is strictly by reservation. There is no obligation, and it will cost nothing to attend. You tell them about your services and the reason you’re willing to give them this education is that once they get the knowledge they realize that by letting the right person represent them, they can reduce their purchase price by 20-50%.

For that reason, you’re willing to buy them a ticket or buy them attendance at the seminar. But they must call in advance, and when they call you get a lot of information about them: name, spouse, market price they’re looking for, and a little bit about their background so you see how strong they are financially. That’s an approach and it could be a very powerful one. Does that stimulate your thoughts a little bit?

Alice: Yes.

Jay: I want to suggest something about experimentation, testing, and letting the market tell you what the customer really wants and not trying to tell them. I urge that you don’t put all your effort on one approach, because the marketplace is fluky. Sometimes one headline will out-produce another ten times over. What you and I might think is great, the market doesn’t, and all you can do is experiment with it. You’ve got to try a lot of small conservative tests before you spend much money. That’s why I strongly urge you to come up with all sorts of approaches.

Let’s say you’re willing to spend $10,000-$15,000 yourself to go to a big real estate firm...
and make the following proposition: you want them to underwrite the ads 50% paid by them, 50% by you. If they won’t do that offer to treat it as a draw against commission.

The deal is they agree that all attendants go to you first and if you get more than you can handle, you’ll let their people work them as long as you get 50% of the commission.

Alice: When I go in to this real estate firm, and say, ‘This is what I want to do and this is what I want you to do.’ How am I going to prevent them from doing it themselves?

Jay: One way is a simple non-disclosure agreement protecting your intellectual property rights. Another is to approach a firm with a proposition that, ‘I have a marketing technique which I think could prove very valuable and could sell a ton of property. I would like to explain it to you and make you a proposition. It will cost you nothing if it doesn’t work. However, before I reveal it to you, I want you to warrant to me that if you’re not doing it, then you will only do it through me.’ Somebody will accept that. If they’re afraid to sign, I wouldn’t present it. If they’re willing to sign, then you present the idea. A lot of people would say that they’ve already been thinking about doing seminars. You must show them it’s a specific kind of seminar designed to show people how to buy foreclosed properties. The headline might say ‘Why pay $50,000 for a $100,000 house when you might be able to get the same house for $35,000?’ That’s a powerful approach, don’t you think?

Alice: Yes, it is.

Jay: Yes, it is, and you know how to do it. So you go to them and you tell them that it’s alarmingly simple, but it’s not being done. You tell them, ‘Every week I want to run an ad for a Saturday or Sunday or evening seminar. I’ll put all the dollars together, I’ll prepare the material for distribution.’ Give them enough information to titillate them but don’t give them so much that they can do it on their own. Tell them, ‘We have enough knowledge to save people as much as 50% on the acquisition price, and it’s highly probable that we are going to get a bunch of serious buyers to represent.’ So with that as the premise you go to the real estate company.

You tell them again, ‘What I want you to do is advance the cost of running an ad once a week, preferably on Saturday or Sunday for four or five weeks.’ Tell them you are going to try four or five different ad approaches looking for the one that gives the most leverage—the one that produces the maximum yield for the money.

In other words, one approach may draw 200 people, but they may only be ‘lookie-loos’ and you may get one sale. Another may only bring fifty, but 35 are serious investors who are looking to buy a home. So you want to experiment with different headlines, different size offers, different seminar titles to see which produces attendees and conversions.

You want them to guarantee to do it five or six times. They, being the real estate company, front the cost of the ads. They furnish you with a space so you don’t have to do it at a hotel. You do it at your office (if they have an adequate conference room). You accrue against them as a debit either 100% or 50% (whatever you can negotiate) of the cost of the ads. You will be responsible for paying that cost out of your side of the commissions for every house you sell and if you don’t pay all the cumulative costs of running those ads in the course of six or nine months, you will make good the difference. So they have nothing to lose. It’s not just an oral agreement.
You're willing to basically let them access your concept at no risk on their part. Yes, they have to advance the money but they're going to do promotions anyhow on behalf of their salesmen and properties. They may as well do this as part of it. Because if you're right, within a month it will evidence to them that you brought in incredible quantities of qualified buyers and you can keep doing it every week.

Alice: Should I have control over the advertising?

Jay: You collaborate. You tell them that they will have editorial approval to assure that the content is legal, ethical, and accurate. You've got to make sure you have great headlines--great, provocative, and benefit-filled headlines--a series of bullets, a rationale of why you're doing it. And you must direct them to action.

You have attendance strictly by reservation. They've got to call in advance to get their name approved. If they can't attend, they can get a transcript, provided that they give you certain kinds of information about themselves so you know they're qualified.

If everybody already wants to buy foreclosed property, you must be the one person who says, 'Yes, you can buy foreclosed property better than market price but how would you like to buy below that? There are techniques that can get you values that are 10-50% less and you can reduce your interest cost by another 20% and you can get longer terms. You would be a fool not to buy from us because we can teach you and guide you and advise you on ways to save tens of thousands of dollars.'

People are delighted to get a good deal. But why should they be satisfied with just a good deal if you can save them another $10,000 on interest or points and all that? 'Our goal is not to get you the most expensive house but to get you the very best aggregate on purchase, price-reduction, financing, and terms.' That's a very powerful approach.

The headline could say, 'Why buy a $100,000 house foreclosure for $50,000 when we can teach you how to buy it for $35,000 and maybe save you another $10,000 on the financing?' That's a very powerful approach.

The education of customers can be turned into a money-making opportunity in itself. Seminars, reports, books or even products useful to a specific business can be sold in conjunction with your main business. These are the ancillary or back-end opportunities Jay always talks about.

"Are any of your competitors offering free expert knowledge to prospective customers? If none of them are, why not become the one to do it?"

Think of all the things you know that could help a prospect make a good buying decision. Then create a seminar or a booklet or a telephone 'hotline' that tells people how they can save money, time, or effort in buying and using your kind of product or service.

People appreciate being educated, and you'll be surprised at all the business this can bring you.

At the same time, make a list of all the things you've learned through your own experience that could help another, non-competing company in your industry. Offer to teach other companies what you know, and get them to agree to give you a percentage of the added profit, savings, etc. that your methods bring them.
The fact is, most business people own a huge amount of 'intellectual property' that can be turned into profit.

SEMINARS

Another approach is to put on a seminar with very focused subject matter and sell expensive, or relatively expensive tickets to it -- say $395. At a higher price, you know you'll only get a very small number of attendees, but those who do attend will be supremely interested in the subject matter, and they will be as attentive as can be for the two or three or six days you're holding the seminar.

During that period, they'll actually be paying for the privilege of being solicited. The biggest benefit of doing seminars is that you get to keep the attendees' names.

An additional approach is to offer free seminars that last anywhere from ninety minutes to three hours, and put them on at multiple locations if you're in a big city, or in multiple cities if you're conducting them nationally.

Make a tape or a transcribed version available for a fee to people who can't attend. You want a device that will maximize appeal and response from qualified people.

My recommended seminar approach is an invitation to spend three-and-a-half intense days (or two-and-a-half intense hours) with a famous expert speaking on the seminar's subject.

First and foremost explain that person's credentials. You can say:

'Mr. So-and-So may very well be the most knowledgeable expert on exporting in all America. He's studied under this, under that. He travels the world consulting. He charges several hundred dollars an hour, several thousand dollars a day, and even then he's booked solid for the next two years in his limited consulting schedule.

He's consented to spend two-and-a-half days with an intimate group of serious participants for the purpose of discussing the most overlooked subjects in exporting.

A few of the more interesting topics he has agreed to explain and thoroughly discuss include:

* Topic A
* Topic B
* Topic C

In addition to that he has agreed to spend at the very least a full, solid hour on:

* Topic X
* Topic Y
* Topic Z

'Finally, at the end of the session he has agreed to set aside at least ninety minutes for not only questions and answers, but to illustrate precise techniques. He'll also be distributing exact blueprint documentations of his process.

The price to attend is $495 per person; $695 for two from the same company. It's strictly
limited to a maximum of 40 people. In order to attend you have to be a certified operations person at a company doing a minimum of $10,000,000.

'We think it’s important to insure that it will be worth your while. If for any reason you don’t get $700 worth of value at the end of the first three hours, we will return your uncashed check or charge-card slip.

‘Attendance is strictly by reservation only. You cannot get a seat the day of the event unless you have registered ahead of time and the seat is reserved for you. The number to call is 1(800)777-7777.’

Another approach for a simple down-and-dirty seminar is to offer a free 90-minute, ‘how-to’ seminar.

It’s got to be provocative, and the headline has to offer a colorful promise of a big result that an attendee would realize by coming to the seminar. It should imply that the seminar will enrich the attendee (enrichment meaning financial, knowledge, savings, prestige). Establish the credibility and qualifications of the seminar before you talk about what the seminar’s going to entail.

Seminars are wonderful vehicles for three reasons: 1) They establish your company’s credibility; 2) They impact people; and 3) You get all to yourself people who pay to sit in on a concentrated, fully attentive environment.

By presenting your thoughts and your knowledge on a subject via a seminar, you’ll end up creating (if you record and transcribe it) promotional collateral material you can send out all the time. In other words, a good seminar could end up creating three or four different types of collateral material that you couldn’t create if you hired $10,000 worth of experts to write it for you.”

Jay argues that you have to develop the ability to see these opportunities.

“There is one critical aspect of marketing that far too many people still have yet to understand. That is the ability to perceive a situation or asset as an opportunity. By cultivating a new perspective you can view every marketing opportunity as a chance to profit handsomely.

In order for you to capitalize on an opportunity, you pay the person that has control of the opportunity you wish to exploit. That consideration is more than the possessor of that opportunity would have otherwise made.

I look at every facet of someone else’s business. I read newspapers and magazines looking at the ads for marketing concepts or services with a new application in a different field. I look at how many customer and prospect names that advertiser might have to sell related products to or to license other people.

I make notes and clip out examples. I send out hundreds of provocative, exploratory-type letters. I make many probing telephone calls to see what assets I can tie up.

I once met a man who had a business that generated thousands of customer and prospect names he used only once. Afterwards, he literally threw them away. I tied up a 50/50 deal with him to exploit those names after he was done with them. I put the list in the hands of a list broker who put it on the rental market. That transaction took 15
minutes and cost me $5 in telephone fees. So far, I've earned over $38,000 as my share of list income.

Another time I saw a copy of a magazine with an ad I thought would fit perfectly for one of my client's projects. I called the original advertiser, found out that they no longer ran the ad, made a deal to license the ad for $500 a quarter and licensed the same ad to my client on a percentage deal, payable only if it made the advertiser a profit. I earned nearly $60,000, paid the original creator of the ad $2,000, and spent less than one day on the transaction.

Another time, I found a company doing a unique sampling service of publications that no one else in the country knew about. I tied up -- for absolutely no upfront cost -- rights to use this service as an advertising premium, paying the provider of the service just $1 per order generated. I then turned around and 'packaged' the service as a valuable purchase bonus for two of my client's advertising offers, and in the first three months of tests, those ads generated 26,000 orders for the service. Remember -- I had to pay just $1 per order for the service, but I charged my client $5 per order.

One time, I was involved with a group of people who put on trade shows. I provided consulting services in exchange for a fee plus free booth space. I found a group of publishers who wanted to display at these shows, but didn't want to pay the $10,000 exhibit fee. I traded my bartered exhibit space to the publishers for a load of books they had published. I then sold the books to a magazine in trade for $20,000 worth of ad space which I, in turn, sold to a client for $10,000. The client was elated that he got the advertising for half price, and I essentially made an extra $10,000 for the original consulting work I had done.

Still another time, I bought the rights to reactivate expired subscribers from a number of companies in the subscription field. Then I sold off my rights to people who specialized in reactivation for 50%. All I had to pay the newsletter people was 20%. Just for acquiring the rights and knowing how to structure the deal, I made over $100,000.

Remember the scene from Tom Sawyer when Tom got everyone else to paint the fence for him. If everyone you involve in the deal is happy why should anyone care if you earn ten times more than everyone else?

In 1978 I worked for Entrepreneur Newsletter (which became Entrepreneur Magazine). Back then, we had trouble selling this expensive 'business opportunity' newsletter by mail. The newsletter came out once a month, and every month it featured one or two 15 or 20-page features chronicling new and promising business opportunities, which we thoroughly analyzed and evaluated.

Once an issue was out, the publishers did nothing with it. That is until we got involved. I realized that once the issue was published, we could take the two overview articles and by adding 10-20 pages of boiler-plate material (e.g., general start-up-type information any aspiring entrepreneur should know), we could convert these articles into full-fledged, 'start-up' manuals that could be sold for $24.95 each.

That one solution of converting old articles into 'start-up' manuals turned a struggling little business into a $20 million-a-year market leader, which sold over 500,000 separate reports.

A few years ago, I acquired the rights to the tapes of an investment seminar. No one buys
these tapes after two or three months pass, so you can acquire the rights for almost nothing. After I acquired the rights, I sent the tape out to a typist to transcribe them.

Then I sat down and wrote a promotional piece based on the concept of looking backwards to see actually how well an investment advisor's advice had panned out. My promotion was based on the assumption that a lot of people would not have paid the $2,000 it would have cost them to attend, but that people were interested in how the expert's advice proved out.

I suggested that by reviewing the recommendations you could now (six to twelve months later) track performance and determine whether you wanted to subscribe to the advisor's newsletter. We sold something like 100,000 total transcripts at $39.99 each, and net of expenses and royalties, made a half million dollars -- merely by identifying an innovative twist on an overlooked asset.

We used to also make deals with publishers of out-of-print books that were fundamentally timeless -- business, moneymaking, or investment information -- and acquire rights to republish them as dramatically condensed 'Special Situation Reports'.

Typically, we'd find a nice, readable and genuinely useful book on a given subject, say option investing, that didn't sell well enough to succeed in book form. We'd acquire rights then. I'd pay an editor $1,000 to edit a 200-500 page book into a 60-120 page special report. I'd add a unique bonus to the package and turn around and sell 10,000 to 20,000 of them at $39.99.

After interest died down for my special reports or transcripts, I'd sell off rights to businesses who wanted to offer my reports as bonuses.

A friend of mine spent nearly one year and $40,000 trying to develop a project with a famous television personality who, for some reason, kept leading him on. Finally to my friend's disappointment, the deal fell apart. One day he was on the phone telling me about the deal when he remarked that it really annoyed him that somebody else had made a deal with the television personality years ago, and wasn't doing 'tiddly' with it.

I suggested to my friend that he contact the other person who already possessed a rights deal, and propose that my friend acquire it and the rights it contained. He did just that, and found out that the rights had possibilities and opportunities the current owner had done little with. My friend purchased the rights for almost nothing and initiated five new programming projects for a million dollar profit.

Start looking now at every untapped or distress opportunity you come in contact with as a chance to develop a new source of income for yourself and your business."
HOW TO PUT ON A GREAT MARKETING CAMPAIGN

Chapter 20

You've read enough of Jay Abraham's marketing strategies that by now you probably want to begin a marketing campaign of your own. In this chapter Jay will take you through a marketing campaign from start to finish.

Follow his advice in this chapter and it can make you many times the cost of this book. Nobody expects you to master all of Jay's concepts through reading a few chapters. You must master his ideas one at a time. Here in this chapter are his fundamental concepts presented in a way you cannot help but understand. Apply only one of them to begin with and you can build on that initiative. Start small and grow to a complete understanding of these strategic principles by applying them to your business.

The key to a great marketing campaign begins with understanding how the needs of your prospect relate to your product or service. It's a simple idea, but most business owners look right past it. Until you can identify those desires precisely and determine how you can satisfy those desires, you can't fashion a meaningful campaign. How can you aim your rifle when you don't know what you are shooting at?

Get a pencil and pad and ask yourself these questions:

If I were a prospect getting solicited by my company, what would it take to get my attention? What promise would I want fulfilled? What needs would I want to have met? Now ask yourself: What needs and desires are my competitors missing?

At the same time, list all the needs and desires your competitors are satisfying. This exercise is crucial, because in formulating any successful marketing campaign, you must focus on that single or composite need fulfillment that your business can perform best - or at the very least, can articulate better than your competitors!

At the same time, by identifying the Unique Selling Propositions (USP's) that your competitors have already filled, you can combine or mold those already successfully-proven USP's into a 'hybrid' of super-need fulfillment.

This is your 'big promise' USP that becomes your firm's marketing theme. Accomplishing this may sound hard, but it's not. Let me reduce it to simple terms. Find what needs and desires your prospect wants filled. Many of these needs and desires are not even clearly known by that person. You have to do some digging to find what optimum fulfillment promise would most satisfy, please, or benefit a given prospect.

Let's say you're developing a marketing campaign for a service business -- a dry cleaner or a telephone answering service, for instance. Logical questions include:

1. How can I show more interest in my customers than my competition does?

2. How much more service can I offer than my competitor does?
3. What are my specific added or extended service benefits?

4. When I have used similar services from competitors, where have I been most impressed -- or most disappointed? Why?

5. How can I make my customers understand how important they are to me?

6. How can I persuade them they are being treated with professional interest and courtesy?

7. What specific needs should my service fulfill?

Let's make up a hypothetical list. If you have a heating and air-conditioning repair service, you might jot down the following:

A. The competition comes out, repairs the unit and goes away -- and is never heard from again, unless the customer calls them.

What I can do: 1) Call the customer the next day to be sure the job was done right. 2) Send a warm, personal 'thank-you' for choosing my company, reminding them of our commitment to follow up on every job, our 100% guarantee on all repair work, etc.

B. Most air-conditioning and heating repair companies are hard to reach. When you do get through, you can’t get repairs after 5:00 p.m. or on weekends -- just when most air conditioners and heating units seem to break down.

What I can do: 1) Tell customers about our 24-hours-a-day, seven-days-a-week service. 2) Explain how there is no extra charge for weekend or holiday service. When you have no control over the timing of the breakdown, why should I penalize you?

C. Most air-conditioning or heating service companies only react -- they come only when an emergency is called in.

What I can do: Offer a twice-a-year, complete maintenance check absolutely free.

This will help my business because it shows my concern, and gives the customer peace of mind. Also, it locates potential problems before they turn into expensive, inconvenient emergencies.

If a typical maintenance check has a market value of $50, twice a year is $100. This represents a nice complimentary service for the customer. From a practical perspective you can’t possibly lose with this offer, since the odds are good that in a given year almost every heating or air-conditioning system will quit. Early detection from preventative maintenance will generate more than enough money in scheduled repair charges to pay many times over for the cost of the 'no charge' free maintenance checks.

D. Conventional heating and air-conditioning repair companies come out only to repair a specific problem, then leave.

What I can do: My repairpeople, after solving the problem, will stay long enough to check out other equipment -- at no charge. This lets me detect possible difficulties and correct them before they, too, turn into expensive, inconvenient catastrophes. This should
encourage customer confidence and appreciation.

E. What do my friends, relatives, and acquaintances say about their past experiences with my competitors’ repair services? What impresses, pleases, or satisfies them?

What I can do: I can incorporate any and all of their winning approaches into my own list of benefits.

PEOPLE WANT CLOUT

Make your clients feel important.

You could prepare a simple script for all your servicepeople to:

1. Thank the customer for choosing your firm.
2. Tell the customer you will follow up in a day or so to ensure that the job stays repaired.
3. Explain your free twice-a-year preventative maintenance checks.
4. Mention that the repair is guaranteed for a full six months.
5. Say that if another emergency arises, you hope they will call on you.
6. Emphasize that if an emergency arises after business hours or on weekends or holidays, you'll come out promptly and that there is no extra charge above your regular weekday rate.

By having a customer service representative follow up, asking questions and reassuring the customer of your commitment to them, you’ll create friends for life. It takes so little effort or expense, yet has such a profound positive impact, that it’s amazing so few take the time or effort to do it.

Another potentially invaluable ‘acknowledgment’ strategy is education. The more people understand a complex, intimidating, or confusing subject, the more they will trust those who educate and clarify things for them.

Here’s a nice little letter to a repair customer immediately after a service job was performed:

‘Most of our customers are in the dark about how an air-conditioning or heating system works. When something breaks down or malfunctions, all they know is that it’s an imposition, a discomfort, and an expensive bill.

‘I thought I might make the pain a bit less biting by explaining to you what went wrong with your system, and why we’re lucky that systems don’t break down more often. You see, the condenser unit on your air-conditioning system is a turbine that rotates 4,000 times a minute. If you run it all day and all night every day, that fan turns 240,000 times an hour, or more than five million times a day. During the course of a long, hot summer like this one, your condenser could turn almost 10 billion times!

‘When you consider that, it’s remarkable that your little condenser has only broken down
one time in the last three years, given the fact that it’s probably gone through 30 billion revolutions.

'Nevertheless, the replacement bearing and main we installed should guarantee you another three years, or 30 billion turns; at least, we hope so. Even though we make our living fixing air conditioners that have broken down, our goal is to fix them so they stay problem-free.'

Do you see how comforting a little follow-up note like this could be?

When setting down on paper what your service should provide, consider the following essentials every business should offer:

* Extra availability
* Customer acknowledgments
* Free benefits
* Guarantees
* Regular follow-ups

Add anything and everything else you can think of to this list.

Now you’ve formulated a pretty hefty list to help you understand your customers’ needs and desires. But that’s only part of the process of creating a great marketing campaign.

The next step is putting together the sales offer.

How are the components of an offer coordinated? These steps are basically the same, whether you use advertising or direct sales.

**Step #1 - The Headline**

You want to grab your prospect’s attention. How? By using a headline (or a solid opening line for radio, TV, or in-person sale) that flags down qualified prospects.

Examples of appropriate headlines, using the same air-conditioning and heating service company as an illustration, include:

If Your Air Conditioner Quits
At Any Hour of the Day or Night,
Even on Weekends, Call For Fast Service.

Twenty-four-Hours, Seven-Days-a-Week,
Immediate Professional
Air-Conditioning Repair
at Modest Prices. All Work
Guaranteed For Six Full Months.

Immediate Repair Service On All
Air-Conditioning and Heating
Systems. We Have Most Broker
Air-Conditioning Systems
Cooling Again Within Three Hours of
Receiving Your Call.

Here are examples of headlines not suitable because they fail to communicate your basis proposition:

* ABC Air-Conditioning Company
* When You Want a Good Job Done...
* What's In a Name?
* Since 1954...

A headlines serves as an ad for your ad. It should telegraph immediately and clearly the essence of what you are trying to say in the body copy of the ad or letter.

It should zero in on precisely whom you want to reach. It should not be cute or confusing, abstract or self-serving.

So create a headline that tells the right people precisely what you offer.

Step #2 - Benefits

Now you talk about all the benefits you offer. What you've written down may seem obvious to you, but your prospects need to be educated -- they don't work in your field every day.

Don't make assumptions. Explain everything clearly and simply.

Step #3 - Fulfilling Needs

After spelling out all the benefits, identify the specific needs particular customers would like to have filled -- whether they know it or not! Then you explain in simple, factual, easy-to-comprehend language why and how your service satisfies those needs.

People didn't know they 'needed' televisions, dishwashers, washers and dryers, and VCRs until someone started convincing them. Things that used to be luxuries for the rich are now considered necessities for the middle class.

Step #4 - Guarantees

Next, offer risk-free assurances of satisfactory performance. This can be done several ways.

Tell them what your guarantee really means. You could say:

1. 'The bill isn't due until the machine is functioning properly for at least one hour,' or 'We will bill you instead of asking to be paid on the spot.'
Or,

2. 'The job is not considered complete until the repaired unit performs perfectly for at least six months.'

Or,

3. 'After the job is repaired, a senior supervisor will personally reinspect the repairs to assure absolute satisfaction and performance.'

Let your imagination run wild and you'll formulate a list of assurances that works best for your business.

Step #5 - The Proposition

State your proposition as precisely and clearly as possible. Moreover, tell your prospects exactly what action you want them to take. For example, after the headline, the benefits, and need fulfillment sections, you get to your proposition, which might be:

'If your home or business air-conditioning system stops working -- if your cooling level goes down, but your electric bill goes up -- if your system breaks down in the middle of the night or on the weekend -- or even worse, on a holiday -- we'll rush out and fix the problem quickly, properly, and, most importantly, very inexpensively. In most cases, it doesn't take more than a few hours to put your system back in operation -- and our bill rarely exceeds $_____.'

Now you have to tell the prospect how to act:

'We hope your air-conditioning system never breaks down, but if it does, give us a call, day or night at (phone number). A live service assistant will take the call - not a machine or an impersonal answering service. A skilled serviceperson will immediately be dispatched. We can usually bring all necessary parts to correct the problem on the spot.

'Even the toughest repair problems can usually be fixed within three hours.

'Our fees are modest -- just $_____ per hour -- and they are the same whether you call us at 10:00 a.m. or 10:00 p.m. We never charge more for evening, holiday or weekend hours! Best of all, all our repairs are unconditionally guaranteed for six full months.

'When you need expert, efficient, inexpensive repair service, please give us a call at (phone number).

'We're there around the clock, because we never know when your air conditioner will break down.'

Okay. Now you understand the components of the offer.

The same marketing preparation exercise applies to any tangible or intangible service or product.
Human beings are silently begging to be acknowledged and led!

You are too!!

And so am I!

All of us want to be considered unique and somehow special in the eyes of those people we do business with.

Price -- all other things being equal -- is actually subordinate to personal acknowledgment, when it comes to marketing. Why else do you think people buy expensive, self-indulgent products and services? It's because the seller understands how to make customers feel all-important and, indeed, uniquely special.

Think about it. When a doctor, dry cleaner, interior decorator, carpenter, or insurance agent treats you special...makes you feel you are important to them...that they are striving to give you extra special attention, effort, service, or value...what happens? Your sense of satisfaction buoy, your heart grows warm, your gratification is ready to spill over into spending money.

You can incorporate personal acknowledgment into any marketing activity with tremendous results. It will give zest to your ads, your mailing pieces, and your correspondence. It will add a friendly glow to your clerks, your customer service people, your dispatcher, your bookkeeper, your accounts-receivable personnel, your counter people, your receptionist, and your operators.

Every time you contact a customer, you can give that special attention that tells people you care. But don't put on an act. Internalize the sincere belief that each customer, prospect, and client is vitally important to you and your business. Appreciate them, don't patronize them. Give them a real smile.

Follow these simple rules and you'll stand out so far above your generic competitors that it won't be a fair marketing contest -- you'll win hands down.

All your ads and sales efforts should address the proposition in an individualized, first-person, human, empathic manner instead of an impersonal, dehumanized manner. Genuinely thank customers for their business. And thank them for seeking you out, even if they don't buy. Send follow-up notes, make calls, or send someone to stop by their office or home.

Think and act especially interested in each and every customer you have. Demand from every member of your staff -- from truck drivers through executives -- the same sincere level of acknowledgment and conduct, and you'll own your market.

MOTIVATING YOUR CLIENTS TO ACTION

Now, how can you subtly lead your prospect to action? We all are sometimes apprehensive about our judgment or ability to make the right decision. The ability to take independent action is rare. We want reassurance before making any buying decision. Then we need to be gently and subtly guided to action. By taking the responsibility for leading the customer to action, you do both your business and your customer a favor. In your ads, stop assuming that the reader will know how or when to
Ask the prospects to take action -- now. Tell them exactly what to do -- now. This is a step that most advertisers overlook, and it can cost you thousands of dollars in lost sales. Grease the chute. It's the most powerful art of your marketing strategy. Don't leave such an important step to the whims of your customers. Tell them what to do, how to do it, why they should do it right now, and do it in every ad. I can't overemphasize the importance of leading people into action! Here are some more examples of how to do it:

'...So if your furnace stops heating -- don't get upset. Pick up the telephone -- whatever the time -- and call 555-1234. One of our knowledgeable service assistants will diagnose your problem and we'll send a repairperson immediately.'

Or,

'When your carpet looks lifeless, smells musty or has accumulated ground-in stains that your best efforts simply won't get out, call ABC Carpet Cleaners at 555-1234. We'll be there in less than 24 hours. If it's a carpet emergency, we can get there even faster. And we're not just proud of our service! Our work is unconditionally guaranteed and our current special rates are only 25 cents a square foot, which includes stain-proofing after the carpet has been made sparkling clean. If your carpet has lost its sheen, call 555-1234 right away. Do it now, because this special offer expires (date).'

Or,

'...So next time you're having special guests over for dinner, come to Deluxe Meat Market on Broad Street. We're there from 8 a.m. to 6 p.m. -- including Saturdays. And for only 21 cents more per pound than the prices charged at Safeway or Kroeger, you can have prime grade -- elite cuts that usually go to the most expensive restaurants.

'You'll love our prime beef because we guarantee it to be at least 30% leaner, at least 25% more succulent, and 100% more flavorful. If you call us in advance, we'll have your personally cut beef selection ready, wrapped, and waiting. As an added bonus, if your order totals 50 pounds or more, we'll deliver it to your home, free.

'Act now because this special prime shipment of beef is limited. It's first-come, first-served.'

Or,

'When a child needs braces, you can choose from many 'good' orthodontists. But I offer a number of outstanding services you can't get just anywhere. For example, your first consultation is absolutely free. It allows me to get comfortable with you and your child, and you can get comfortable with ME. You can also ask questions and talk to patients and parents in the office.

'I'll show you pictorial case studies so you can judge my results for yourself. I'll gladly extend liberal payment terms, so don't delay your child's care because of money worries.

'Please call soon. My delightful assistant, Marge Johnson, will schedule a no-charge and no-obligation preliminary consultation at your convenience. I am also available early evenings and Saturdays, if that's better for you. Why not call Marge right now at 555-1234?'}
THE POWERFUL CASE

Another critical ingredient I incorporate into almost every marketing activity is the 'powerful case.'

If your product has a demonstrable advantage, or an easy-to-explain USP, or if no one in your field or industry has given their product a distinct personality or demonstrated top quality; if, in fact, there are unique qualities, performance, or service characteristics that none of your competitors can claim -- then you must make the most powerful case possible.

But how?

Let me count the ways:

1. Describe in detail the components, construction, method, or process that goes into the creation or manufacturing of your product.

2. Spotlight all the unique advantages or characteristics of your product or service, compared to your competitors, such as life expectancy, warranty, service policy, cost, craftsmanship, money savings, etc.

3. Compare the performance or useful life of your product against your competitor's. And if the case for yours, on a dollar-cost basis, is superior, say so.

4. Use testimonials.

5. Describe the problems they will avoid if they buy your product or service.

6. List all the benefits and advantages of your product or service.

7. Point out any prestige or status value for the purchaser.

8. Advocate the selection of your product over the competition -- but offer solid reasons why your product is superior on a cost, value, construction, or performance basis.

SITTING AROUND THE FIRE

'Sitting around the fire' is a style of communicating in a manner that promotes intimacy, humanness, sincerity, and genuineness. It's talking to someone in an ad, mailing piece, commercial, or telephone solicitation in the same warm, personal manner you would use over coffee or cocktails, sitting around the fire.

It's communicating 'one-on-one.' It's not talking in legalese, or complicated technical jargon. Don't worry too much about form. Rather, focus on the flow of ideas, and address the feelings of the people you're trying to reach.
If you run a newspaper ad that reaches one million people, TV commercials that are viewed by three million people, or send out one million letters, only one person at a time hears, sees, or reads your marketing effort. Why then, do so many businesses talk to the masses, when, in fact, they're talking to one million individuals one at a time? If you want the customer to believe that you really are sincerely speaking personally to him, doesn't it make more sense to talk one-on-one? By adopting my 'cozy fire' approach, you abandon any 'stuck-up' communication style and replace it with a natural, honest, believable and sincere communication.

Try this experiment. It will shock you. Write down what you want to convey in an ad -- or mailing piece or commercial or sales pitch. Then, dictate the same basic ideas into a tape recorder: The spoken attempt will be far more natural and sincere. Why? I honestly don't know. Maybe it's because we feel our writing is being judged, or because we're inhibited.

I do know that the more your marketing resembles the spoken natural flow of communication, the more effective and successful it will be. Write from the heart -- not worrying terribly about structure, style, or even grammatical correctness. Tell the reader what you want to convey and why you believe as you do. Tell them about the faith and confidence you have in your product or service and the benefits you believe you can give them.

ANSWER THEIR QUESTIONS!

Don't be afraid to raise probable objections. I write and tell about my product or service, but halfway through the I realize the readers may not be sure they can benefit from it. So, I address that uncertainty:

'You're probably not certain our widgets can benefit your family. But a family that takes an average of four baths per person, per week; washes ten loads of clothes and 15 sets of dishes and waters 280 square feet of lawn, flowers, shrubs, or trees cannot only benefit -- it can save at least $350 a year on its water bill. And if you're like most Southern Californians, you wash your car two or three times a month. That only adds to the savings!'

GET PEOPLE TO RESPOND

Another example of integrating the prospect into your marketing is to invite them to nod silently in agreement. Here are some examples:

'This is a superior product, don't you agree?'

'Isn't this the kind of service you'd create if you had enough time, resources, and capital?'

'You might be confused -- so let me clarify.'

Ask yourself this same question.'

'Why not stop a minute and think about how you've been inconvenienced when this has happened.'

'Seems too good to be true doesn't it? But, it's not. Here are the practical reasons why I can provide this service (or benefit) for this low price.'
Whenever possible, introduce the human, personalized element into your marketing attempts, personally acknowledging the readers' views. Don't make your ads too serious -- too medicinal. Practice my 'sitting around the fire' approach, one-on-one. 'Talk' your thoughts out extemporaneously as if to someone sitting across the room. Develop the ability to write more like you talk. Remember this point: Even if your ad or commercial is read or seen by five million people, it is still received by one person at a time, so talk to them as individuals - not as a crowd.

AVOID THE MAJOR MARKETING PITFALLS

Here in abbreviated review are some of my 'don'ts:'

Don't ever decide what the marketplace will respond to. Always put your marketing strategy to the test.

Don't ever make a marketing offer that fails to contain a headline (or equivalent), benefits, advantages, a powerful case, guarantees, a specific offer, and finally, a direct call to action.

Don't ever forget that human beings need to be acknowledged as being special and need to be led.

Don't ever fail to see how many different marketing options you can use profitably at the same time. Test various approaches, analyze results, and always let the market tell you what to do next, and what to stop doing.

Your market will never lie to you if you ask its opinion.

A WORLD-CLASS MARKETING PERSPECTIVE

Now that you've learned how a low-cost, effective marketing campaign can get more results than a high-cost, poor marketing campaign, let's talk a bit about how to think like a world-class marketer:

Here are 15 simple steps on how to do it.

Step #1 - Read

Read every good ad you see published, then clip and save it for future reference. Do the same with direct-mailing pieces that come to your home or office. Record on your video player all the good TV commercials that convince you to buy -- especially the ones that almost convince you even though you don't need the product.

Step #2 - Observe

Spend weekends and evenings shopping. Note the conduct, personalities, and actions of retailers and service companies. Keep a notebook in your pocket for jotting down ideas and observations.
Every time something irritates you, make a note of it.
Every time something delights and pleases you, write it down.

Step #3 - Get Involved

Ask your customers questions. Go out in the field and spend some time as a salesperson. Find what your prospects really want -- and what their major sales objections are.

Spend one day a week working the customer service phone or counter.

Go out on service calls.

Step #4 - Play Customer

Order something from your own company under an assumed name and see how the average customer is treated. Complain about the purchase and see how your problem is handled.

Do the same thing with your competition and observe how their treatment differs from or is similar to your company's.

Step #5 - Listen

Let your employees share with you their observations and opinions, and pay close attention to what they say.

Call customers and ask questions about your performance, image, conduct, etc.

Step #6 - Nurture Ideas

Encourage your marketing people, sales manager, ad people, etc. to try a lot of new ideas, concepts, approaches, offers and packages.

Emancipate them from fear of criticism so they're not inhibited and they won't placate or patronize you.

Be sure all your people know your basic advertising or marketing philosophy so absolute continuity runs true throughout your firm.

Coddle people who come up with new ideas and money makers. They're worth the time you spend praising them, and probably deserve a bonus.

In other words, share the wealth. Be generous enough to induce people to contribute.

Step #7 - Show People You Care
Acknowledge your staff, your customers, your vendors. Don't forget about past customers and the prospects you don't sell.

Service the living daylight's out of everyone -- no holds barred.

Follow up on inquiries. Follow up on delayed orders. Follow up on problems. Follow up after every sale.

Step #8 - Learn From Others

Keep a notebook at home, at the office, in the car. Whenever you observe a powerful marketing technique that captivates you -- makes you want or crave or respond to a product or service -- jot down the concept, approach, language, sales pitch, etc. that captivated you and incorporate similar or related techniques into your marketing tests.

A great marketer picks the brains of peers, competitors, employees, and retired colleagues.

Step #9 - Test, Test, Test

* Test as many premises and concepts as possible. Test your promises.

* Test various media to determine which ones give you the most leveraged return for your ad dollar.

* Test various headlines or their equivalents.

* Test the size of your mailings, and the length of your sales pitches.

* Test your packaging.

* Test the 'marginal net worth' of customers and prospects.

* Test your sales approach and varying scripts.

* Test commercials.

Never, ever stop testing and retesting. Your marketing will never stop improving.

Remember also that profit is a function of time. Speed up the process of testing and evaluation, and you can leverage your return 5, 10, 100 times.

Step #10 - Improve The Best, Not The Worst

Also, remember this:

Most marketers spend far too much time, effort, and money trying to revive or salvage products that are in trouble or are not viable -- and far too little time worrying about how to make successful products or services even more successful.
A truly brave world-class marketer has the 'chutzpah' to look unfavorable test results in the face, cut losses, and move on to new products, services, or concepts.

Step #11 - Don't Shout

Good advertising, good sales letters, good sales pitches -- good overall marketing successfully sells the product or service without drawing attention to itself.

Step #12 - Be Compelling

Think about the ads, sales letters, or sales pitches that compelled you to buy. If they are truly compelling, you become immersed in the facts, benefits, or explanation of construction or performance and forget that you are reading a sales pitch.

Step #13 - The Idea Is Everything

A great marketer learns quickly that what you say is infinitely more important than how you say it. Marketing is effective because of content, not form. A great concept will transcend mediocre copy. Great copy will not transcend a bad concept. Focus your attention and effort on developing great concepts.

Find the biggest, most believable, embraceable, and honest promise possible.

Identifying the correct 'big promise' is 'world-class marketing.' Unless your marketing campaign is built around a truly great idea and a really big (but believable) promise, your efforts will be mediocre at best.

Step #14 - Give 'Em The Facts

Pack as many facts as possible into all of your marketing. Few advertisers give enough facts to compellingly sell their products.

A lot of ignorant marketers believe prospective buyers aren't interested in learning all the facts they can about a product or service they're contemplating buying. They're wrong.

I think that it is pure bunk to believe that people buy because of silly slogans or a handful of vacuous superlatives.

Buyers want all the facts and information they can get before they make a buying decision. Usually, the higher the price tag, the more they want to know.

Claude Hopkins put it quite succinctly when he said, 'The more you tell (factually), the more you sell.'

Step #15 - Keep A Good Thing Going

Once you come up with great marketing, you will tire of it far earlier than the marketplace.
Too many marketers kill their ads, stop their mailings, or try and change their salespeople's pitches because they are tired of hearing them. The marketplace is not.

David Ogilvy taught me a powerfully important fact: you are marketing to a moving parade, not a standing army.

Ogilvy uses as his illustrative example: People getting married. Some three million or so people get married every year. Ads that successfully sold a refrigerator to newly married couples last year will probably prove equally successful in selling refrigerators to newly married couples next year -- and the year after that.

An advertising or marketing program is like a radar sweep, constantly hunting down new prospects as they come into the market or as their needs grow or decline. Ogilvy says to, 'get a good radar and keep sweeping.'

WHERE I'M COMING FROM

I was born in Indianapolis, Indiana. I don't have a college education. I think that worked out fine -- I learned about business firsthand in the only way that makes any permanent impact -- via experience.

I had two children before I was 20 years old, and the corresponding responsibilities of someone nearly twice my age.

Because of my financial situation, I was forced to turn to producer (as opposed to consumer) endeavors. I had to make things happen.

Not all my jobs were this way, but most were! Among my (over) 165 different jobs, joint ventures, and business involvements:

- I was a cost accountant.
- I sold trucks for Hertz.
- I sold shavers for Schick.
- I ran a minority-owned janitorial service.
- I sold 8-track stereo tapes.
- I sold chemicals.
- I sold pest control products.
- I sold patent medicine.
- I sold collectibles.
- I ran an affinity travel club.
- I sold uniform rentals.
I sold radio advertising.
I owned a half interest in an advertising agency.
I developed lead generating for 250 different brokerage firms.
I sold dry cleaning.
I sold hotel valet services.
I was in real estate.
I sold tax services.
I sold entrepreneurialism.
I bartered advertising and travel.
I sold aerospace parts.
I sold construction services.
I've worked with office supply companies, retailers, books, loads of newsletters, insurance, courses, seminars, investments, gold and silver, financial planning, jewelry and gems, silverware, furniture, auto repairs, lingerie...

And so much more I simply don't have time to cover it all.

But I concentrated on learning the marketing marrow or essence of what made an industry work.

I also realized that most people who have spent their whole careers in one field are myopic -- even though they seem like experts.

Sure, they understand the predictable ways their industry markets.

But I found that if I took the essence of successful marketing techniques in unrelated industries and melded them into a hybrid for clients in myopic industries where everybody did the same thing the same way, we could come up with blockbuster marketing techniques that ran rings around the competition.

That notion let me take Icy Hot from almost zero to $13 million in sales in 18 months, an international entrepreneurial association from $800,000 to $7 million in sales, and a gold dealer to nearly $500 million in sales.

I've learned my skills in the real world -- through on-the-job empirical experience.

HOW TO BE A GREAT MARKETER

How would you like to increase your income immediately -- by at least 50%, and maybe as much as 300% or more?
Sounds too good to be true? Well, this isn’t a get-rich-quick scheme that won’t pan out. It is a simple three-step process for expanding your customer base and developing long-term customer loyalty.

First, let me share with you a premise that every business owner should hang on his wall: Everyone is in the business of selling.

It’s that simple. Think about it. You’re reading this chapter because you want to learn how to:

* Sell more goods and services
* Sell to more people
* Sell more quickly
* Sell most cost-effectively

I’m going to use a restaurant to illustrate the principle. You’ll see right away how you can apply it. Then I’ll make some specific suggestions for other businesses.

There is one more principle: Good salesmanship is not a substitute for value.

The following three-step method is based on the assumption that you have a worthwhile product or service. In our example, we’re relying on the fact that John Jones offers good food and good service at reasonable prices.

OUR SETTING

John Jones has a nice little restaurant in Anytown, but he’s still not making enough money — he just doesn’t have a regular flow of regular customers. What’s wrong?

John doesn’t know who his customers are!

Step #1 - Capture the names and addresses of all your customers.

Make it second nature. Etch it in your mind. Remind yourself until it becomes as automatic as brushing your teeth in the morning.

Step #2 - Systematically contact all of your customers and ask them for more business.

Step #3 (the clincher) - Offer a reward when you ask for more business. Not just any reward — but something that directly relates to your business. John can offer a free dessert or a glass of wine or a gourmet dinner for two, complete with caviar.

The point is, it gives people a reason to come in and have dinner at little or no risk. Once they’re in the door, you impress them so they will come back — again and again.

GIVING JOHN A HAND

How can John specifically put these three steps to work?
He can print up 1,000 small cards with a space for each customer to print a name and address. On the card are the words ‘GRAND PRIZE ELIGIBILITY CARD.’

Each waiter or waitress gives one to each customer just after they have eaten their entree and are in a pleasant, satisfied mood, lingering over coffee or dessert.

John writes a short script which they can put into their own words so that it doesn’t sound like a canned pitch.

For instance:

'I hope you enjoyed your meal. Was everything satisfactory? Good. I’d like to tell you about our free drawing for a very nice prize -- a gourmet dinner for two, complete with champagne and caviar! To enter, simply fill in this little card and I’ll pick it up when I bring your check. If you’re the winner, we’ll notify you by mail. That’s all there is to it!'

Let’s assume that you get most of your customers to fill out the cards. In a few weeks, you pick a winner and send them a letter that they can bring in for their free meal. That’s the obvious part.

Now, here’s the important part.

Everyone else gets a letter too, that says something like this:

Dear Friend,

My name is John Jones, owner of John’s Restaurant on Oak Street here in Anytown.

I’d like to thank you for entering our drawing for a free gourmet dinner for two. Mr. and Mrs. Donald Beeler won the prize and they said it was wonderful. But I’m sorry YOU didn’t win first prize.

So here’s the good news. You’ve won a valuable second prize. If you will bring this letter with you the next time you come in for dinner, I will present you with a bottle of fine champagne.

Thank you again for entering our contest. We hope to see you soon.

Sincerely,

John Jones
Owner

P.S. Your free champagne will be waiting any afternoon or evening this month -- and please remember to bring your letter with you. Thank you again.

Now John could go the cheap route and photocopy these letters in the local library or at a quick-print place. But he’s cutting his own throat. He should take a perfect (no mistakes, no smudges) copy of his letter, typed on a white sheet of paper, to a reliable printer and have the letter printed on his business stationery, then he’ll mail them.
What will happen? People will bring in their spouses, families, dates and friends, and the letter. That means the waiters can greet them by name and say a personal good-bye when they leave. What better way to make customers feel important?

CAN I AFFORD TO DO THIS?

Can you really afford not to do this? Sure it will cost you some time (to write the letter and set up the printing), some money (stationery, postage, employee time to do the mailing), and supplies (the champagne) but you'll soon see profitable results.

If only 10% of the people who get the letter come in, John could establish a bond that turns 100 people into customers for life. Some will eat at the restaurant once a month every month, and some may come in once a week. A few may even stop in several times a week.

But wait! That's not the only benefit. Now John has a mailing list. He can send out:

* Postcards saying that he misses their patronage
* Letters that tell them about 'specials'
* Thank-you' letters
* New additions to his menu or a talented new cook.

John should send out a letter every month! And because he's probably the only restaurant owner in town doing this, he'll get more and more business.

Does he have to have a drawing? Not necessarily. Here are other ways to get those important names and addresses:

1. Ask for people's business cards.
2. Photocopy their personal checks (which usually have a name, address and even a phone number).
3. Ask for an address on all charge slips.
4. Hold other contests as an excuse to have people fill out little cards.

You're only limited by your imagination.

Just remember that you must:

1. Capture the names and addresses of all of your customers;
2. Systematically contact all of your customers and ask them for more business;
3. Offer a reward when you ask for more business.
CONTACTING NEW CUSTOMERS

'Okay,' you may be saying, 'that's fine for people who've already come to my business. What about all those other people who haven't come yet?'

You can use the same basic approach with them too. Instead of collecting their names and address on the premises, rent a mailing list.

The beauty of mailing lists is that you can select the kinds of people you want to contact. For instance, most list-rental companies can provide you with a list of:

* Only those people who live in the same zip code as your business, or only nearby zip codes
* Homeowners
* Apartment renters
* Business owners
* Specific types of business owners (hardware stores, paint stores, auto dealers, drug stores, auto repair shops, etc.)
* Executives
* Insurance agents
* Doctors
* Lawyers
* Dentists
* Registered nurses
* Accountants
* Engineers
* Pilots, real estate agents, brokers, schoolteachers, contractors, pharmacists, and on and on, etc.

You could even get a list of people who own swimming pools.

For local mailing-list brokers, consult your yellow pages under 'mailing lists.' If you don't have any luck there, try these companies listed below, which can provide you with lists no matter where you live:

R. L. Polk & Company
6065 Atlantic Boulevard, Suite #
Norcross, GA 30071  (404/447-1280)
Renting a mailing list isn't very expensive. It usually costs about a nickel per name, which includes mailing labels in whatever form you want them (e.g., single column, four across, etc.).

You don't own these names. You usually rent them for onetime use only.

Of course, once you get responses, they become your customers, and therefore become your names.

Now that you have some names, you can write letters to those who've never tried your product or service.

You don't need to be an 'expert' to write a top-notch sales letter. Just sincere. Try to be simple, truthful, and tasteful. Your offer of a reward should come from the heart. Here's a very basic letter that John, our restaurant owner, may use:

Dear Friend,

My name is John Jones, owner of John's Restaurant here in Anytown.

I'd love to have you as a customer. In fact, I want your business so much that if you will come in anytime between the 15th and the 30th of this month, and bring this letter with you, I'll present you with a free bottle of champagne to enjoy with your meal.

I hope to see you soon!

Sincerely,

John Jones
Owner

Certainly, this is not the most sophisticated letter you've ever read. But it's courteous and it asks for a sale -- it asks for the business.

Think of the impact this one little letter could have on a 5,000-name mailing within a three-mile radius of John's restaurant!

LETS BE REALISTIC

Before you get your hopes pinned on stratospheric results, let's look at what you can reasonably expect from a 5,000-piece mailing. Even if only 2% respond, that's 100 brand-new, first-time customers -- or 'sales.'

Once you have first-time customers, you have a new mailing list of your own -- of qualified buyers that you know are interested in good food at good prices. If you take care of these people properly on their first visit, half will come back again.
RECOMMENDED READING

"My Life in Advertising/Scientific Advertising," by Claude Hopkins (Crane Books, Chicago)

"Think And Grow Rich," by Napoleon Hill (Fawcett Books, New York)


"The Master Key to Riches," by Napoleon Hill (Fawcett Books, New York)

"The Lazy Man's Way To Riches," by Joe Karbo (Karbo, Huntington Beach, CA)

"Breakthrough Advertising," by Eugene Schwartz (Boardroom Books, New York)


"Confessions Of An Advertising Man," by David Ogilvy (Crane Books, Chicago)

"Ogilvy On Advertising," by David Ogilvy (Random House, New York)

"Direct Mail And Mall Order Handbook," by Dick Hodgson (Dartnell, Chicago)

"How To Make Money In Mall Order," by Melvin Powers (Wilshire Publishing, Los Angeles)

"Secrets Of A Successful Mall Order Guru: Chase Revel," by Ron Tepper (John Wiley and Sons, New York)

"Successful Direct Marketing Methods," by Bob Stone (Crane Books, Chicago)

"The Greatest Direct Mail Sales Letters Of All Time," by Dick Hodgson (Dartnell, Chicago)

"Tested Advertising Methods," by John Caples (Reward Books, New York)

"How To Win Friends and Influence People," by Dale Carnegie (Simon and Schuster, New York)

"How To Write Good Advertising," by Vic Schwab (Wilshire Publishing, Los Angeles)

"The Robert Collier Letter Book" (Prentice Hall, New York)

"How To Write, Speak and Think More Effectively," by Rudolf Flesch (New American Library, New York)

"Writing That Works," by Roman and Raphaelson (Harper & Rowe, New York)

"Direct Marketing Success: What Works And Why," by Freeman Gosden (John Wiley and Sons, New York)
