

How To Grow Your Business Geometrically...

18 Immediately Actionable Ways To Windfall After Windfall...

Volume II

By Jay Abraham

© 2005 The Abraham Group, Inc. - All Rights Reserved

This material may not be modified, re-sold, licensed,
assigned, offered as a bonus or auctioned without the prior
written consent of The Abraham Group, Inc.

To Contact The Abraham Group, Inc:

The Abraham Group, Inc.
27520 Hawthorne Blvd., Suite 263
Rolling Hills Estates, California 90274
Phone: 1(310)265-1840
Fax: 1(310)541-3192

Chapter One: Upgrade Skills of Your Sales Staff.....	11
Benefits of Sales Training: (Strategic vs. Technique)	11
Formal Training Makes All The Difference	13
Increasing Sales Skills Levels	14
Take Action and Take Control	16
Increasing Sales Skills Levels – Vision Success Weekend	18
Chapter Two: Qualify and Pre-Frame.....	31
Qualifying Leads Up Front and Pre-framing Your Customers	31
Getting Leads From Your Competitors	36
Getting Vendors to Generate Leads for You	36
Lead Generation and Conversion	37
Pre-frame or Program Customers to Buy More and More Often	39
Give “TFN” Selling a Try	43
Pre-framing or Programming Customers	45
Use “Reasons Why” in Pre-Framing	48
A Wish, a Hope, and a Goal for Your Customers	49
Programming is Meeting Needs Systematically	50
Future Pacing Takes the Customer Forward	52
Offer Products or Services On a Timetable	56
Acquiring Qualified Lists	57
Know Your Target Market	57
Ways To Create Irresistible Offers	67
Chapter Three: POS, Cross-Sell, Up-Sell.....	71
Point of Sale Promotions, Up-Sell and Cross-Sell	71
The Strategy of Up-Sell, Cross-Sell is Based on Preeminence and Optimization	71
Up-Selling Should Be at the Top of Your List	74
Any Business Can Up-sell	75
Up-Selling Produces Exponential Returns	76
Up-selling Refers to Any Additional Sales Activity You Do at the Point of Sale	77
You Can Employ Up-selling Anywhere, Anytime in the Sales Process	78
Packaging Complementary Products Together	80
Larger Units of Purchase	83
Don’t Be Afraid of the Bump	84
Add Value When You Up-Sell and Cross-Sell	85
Bundle Products or Services	87
Sell ‘Em What They Want	87

Use Point of Sale Promotions	89
Offer “Good, Better, Best” Options	90
Use Volume Discounts	91
Never Sell Them Less Than They Need!	91
Up-Selling Will Help You Grow	92
Up-sell Or Resell Right At, Or Immediately After, The Initial Sale	94
Fast Cash Boosters Up-Sell	94
Use This Script To Up-sell Your Customers Like Crazy	95
Two-Step Selling	96
Chapter Four: Enhancing Profits with Telemarketing	113
Grow Your Customer Base and Increase Transaction Frequency by Using Telemarketing	113
Using Telemarketing To Boost Your Profits	113
Maximize Telemarketing With Frequency and Consistency	118
Telephone Selling Behind Sales Letters	119
Never Rule Out Telemarketing	120
Meld Telemarketing To Your Operation	120
Uses and Applications for Telemarketing	121
Re-Examine Your Pricing	124
Organize Your Activity	125
Should You Undertake Telemarketing?	126
Check Up On Your Telemarketers	128
What Kind Of Product Or Service Lends Itself To Telemarketing?	130
Qualify Your Telemarketing Prospects	130
Don’t Telemarket To The Phone Book	130
Set Up Mail Before Calling	131
How To Hire Telemarketers	132
Two-Tier Calling Can Qualify Interested Parties	132
Keep The Telemarketers On The Phone	133
Monitor What Telemarketers Say	133
You Have About 30 Seconds To Appeal	134
Learn To Ask Questions — It’s The Best Way To Sell	134
A “Service” Call Is A Good Introduction	135
Telemarketing Don’ts	136
How To Use The Telephone	136
When The Prospect Calls You	136
How To Respond To A Prospect Who Writes	137

Using The Telephone To Follow Up Leads	138
Appraising Your Telephone Skills	142
Using Predicates in Telemarketing	144
A List of Predicate Words for Your Reference	144
A List of Predicate Phrases for Your Reference	145
Telephone Testing	147
Telemarketing Follow-Up	147
Examples Of Telemarketing In Action	148
Press Releases and Telemarketing	156
Chapter Five: Develop A “Back-End” Of Products and Services	197
Working the “Back-End”	197
Explore Back-End Selling	198
Make Conservative and Inexpensive Tests To Determine Your Market	200
Building A Valuable Back-End	200
Break Even on the Front-End	201
Marketing Mistake: Not Having A “Back-End”	203
Avoid the High Cost of Acquiring New Customers	204
Be Pro-Active on Behalf of Your Customer’s Best Interests	205
A Good Back End Makes a Good Business	207
Lifetime Value and Marginal Net Worth	208
The “Back-End” Must be Consistent with Your Primary Market	211
Dramatically Improving What You Do	216
Integrate “Back-End” Sales on an On-Going Basis	217
Distribution is Leverage	218
Chapter Six: Direct Response Advertising	221
What Is Direct Response Advertising?	221
The ABC’s of Direct Marketing	222
Why Use Direct Response Advertising	223
The Giant Companies Use Direct Mail	224
No Company Can Get By Without Advertising	224
Advertising is Nothing More than Salesmanship	227
Salesmanship in Print and/or Over the Air	228
Advertising is Salesmanship	228
Direct Response Sells Benefits	230
People Care Most about What is Going to Benefit Them	230
Direct Response as Opposed to Institutional Advertising	231

Ads Should Be Created to Stimulate a Direct Response — Immediate Action	231
Cut Back On Costly Institutional Advertising	232
Use Direct-Response Advertising, Not Image Advertising	233
Targeting Your Buyer – Your Platform	234
For a Bull’s Eye, Use the Right Arrow	235
Identify Your Unique Selling Proposition	236
Use Your USP	237
Choose Your Direct Marketing Media	237
Direct Mail	239
PI Advertising Can Make Sweet Deals For All	243
Who Does Per-Inquiry Advertising?	244
What Types of Media Allow Per-inquiry Advertising?	244
Timing Your PI Offers	245
Why Would An Advertising Medium	246
Use Per-Inquiry Advertising?	246
Bounce Back Advertising	248
A Few Things For You To Know About Classified Ads	249
How To Make Yellow Page Advertising Work For You	250
Television Advertising’s Unique Features	251
Are You Using Your Choice of Media Correctly?	252
“Drip-Feeding” is Better Than One “Big Bang”	254
Making A Deal	254
How To Buy Media For Pennies On The Dollar	254
How To Make Deals That Can Cut Your Advertising Cost	258
Identify Your Market	259
Your Lists and Markets	260
Envelope or Carrier	261
Your Teaser Envelope	261
Headlines: Key to a Successful Ad	262
Your Headline	263
Writing Good Headlines That Pull	264
How Many Words Should a Headline Contain?	265
Power Words Produce Powerful Results	266
Attraction of the Specific	266
What Kind of Rewards Do Good Headlines Promise?	267
Tips About a “Negative” Approach	267

Putting Headlines To Work	268
Headlines for “Broad Selection” USPs	270
Headlines for “Service-Oriented” USPs	271
Headlines for the “Snob Appeal” USP	271
Tips On Headlines That Work Best	272
The Primary Viewpoint — The “Point of You”	272
Now, Let’s Write a Headline for Your Business	273
Don’t Stop Now — The Fun Has Just Begun	274
Stale News to the Advertiser May Be Fresh News to the Reader	275
The Power of Emulation	275
Power Headlines Produce Powerful Results	276
A Sure-Fire System for Creating the Best Headlines for Your Client’s Ads	278
Ways to Strengthen Your Headline Once You Have Your Basic Idea	278
Headlines — the Most Important Element	280
Find The Dominant Benefit — Make That Your Headline	281
What Advertising Genius David Ogilvy Has to Say about Headlines	282
Claude Hopkins Has This to Say About Headlines	284
Who Needs A Good Headline?	284
Effective Copy Made Easy	285
Make The Reader A Guarantee	285
Where Would You Be Without Your Customers?	286
Put the Main Benefit in the Headline — Don’t Save It for Last	292
Don’t Put A Question In The Headline	292
Body Copy	298
Your Opener	299
Your Sell	300
Think of Your Customers as Individuals	300
Lead Your Customers To Buy	300
Let Your Customer Try Your Product	301
“Cheap” May Not Be Your Strongest Appeal	302
Personalizing Can Help You Sell Product	303
Avoid Diminishing the Value of Your Product	306
Target Your Prospects Appropriately	307
Don’t Brag — Just The Facts Please	307
Be Specific	308
Draw Your Claims From Your Foundation	309

Say It First — Preemptive Marketing	309
Tell A Story — Stories Appeal To Individuals	310
Creating Great Copy	310
A Proven Pattern for a Good Sales Pitch	311
Effective Ads Can Run For Years	312
Tell the Truth, But Make the Truth Fascinating	313
People Will — And Do — Read Long Copy	314
Every Advertisement Should Be A Complete Sales Pitch	314
The Powerful Case	315
Use Testimonials In Your Copy	316
Channel and Direct “Desire for the Product” To You	317
Sell The Benefits — The “Functional Product” — What It Does	318
Satisfy the Market’s Desire By Underscoring Benefits	320
Persuasion Techniques In Print	321
The More You Tell, The More You Sell	322
Promote What the Customer Really Wants	324
Do You Even “Need” To Compete On Price?	327
One Final Word On Price Cutting	328
Follow These Body Copy Tips	328
Credentialize Yourself	329
Your Offer	330
Emphasize Risk Reversal	331
Now Close the Sale	331
Testing is the Key to Successful Advertising	332
Don’t Change It Because You Are Tired of It	334
A Product Can Be Advertised Without Investment	334
Use Advertising To Do Product Acceptance Research	335
You Can Prove Advertising’s Effectiveness	336
Test Your Method of Illustration and Layout	337
Here’s How To Set Up Your Tests	338
Testing “Small” Can Reduce Downside Risks	340
Analyze Responses Carefully	342
The Importance of Your Headline	343
Don’t Forget to Test!	344
Cutting Your Cost Per Sale	346
A Few Steps To Maximizing Your Advertising	346

Key-Coding	347
Some Pointers on...Using Graphics To Sell	349
The Bottom Line On Advertising Lies With Its Integrity	350
Increase Your Lead And Inquiry Generation Through Advertising	351
The Advantages and Disadvantages of Small Ads	352
Ten Limitations of Small Ads	352
Ten Advantages of Small Ads	353
Print Advertising	357
A Key Point To Remember About Direct Response	359
Model On What Others Are Successfully Using	359
How To Use Illustrations To Help Advertisements Sell	360
Write Ads that Work	364
Giving Up Too Soon On What Works	366
Forgetting Who Your Customer Is	366
A Grab Bag of Cautions, Encouragements and Details	367
All-Time Great Gimmicks:	369
Stop Spending a Lot of Money on Advertising; Use Cost-Effective Alternatives	369
How to Save Advertising Dollars by Negotiating Per-Inquiry Deals with Media	370
Don't Waste Advertising Dollars	372
Marginal Net Worth	373
Why People Keep Doing What They Do	374
Creative Emulation	378
How To Write A PI Ad	381
Getting PI Ads Placed	383
Print Advertising	384
Yellow Page Advertising	384
Commission Advertising	384
Producing Your Ad	386
Other Essentials	386
Launching a Mail-Order Division:	387
How to Establish a Mail-Order Division	387
Catalogs, Direct Mail Letters and Other Vehicles	388
Headline Examples	389
Headlines For Selling Financial Products and Services	400
Headlines For Recruiting Purposes	402
Headlines For Selling Subscriptions	403

Headlines For Selling Books	404
Headlines For Selling Personal Products	407
Headlines For Selling Home Study Courses	409
Headlines for Selling Business Services	411
Letter Templates	413
Direct Response Success Stories	415
Mac Ross' Ad Template	419
Set Your Own Standard	433
Telemarketing	433
Should You Undertake Telemarketing?	433
Seven Keys to a Winning Sales Pitch	435

Chapter One: Upgrade Skills of Your Sales Staff

The most critical function we have in our life is sales. Upgrading your staff's skill and awareness of this invaluable area can boost you to a new level. Yet most people try to do the most critical function we have in our life by merely winging it.

Increasing your sales skills is also your greatest immediate no-cost leverage. Although formal sales training is invaluable and irreplaceable, any enhancement of your skills and awareness will pay off for you. Listen to tapes. Read books. I personally found that a Dale Carnegie course paid for itself.

Because the sales function is so vitally important to your endeavor, it's equally important that you formally and properly train and prepare your staff. However, I would say that only a third of the companies I deal with have any kind of sales training, which is tragic.

Sell your staff internally on your product or service as well. If your sales staff is not sold, they will go out and unconsciously sabotage you. People are mostly selling themselves. If they feel that the product they are selling is something bad, they will still sell themselves, but will throw your product away. Walk your walk, talk your talk.

Sales training is the fastest, easiest leverage you can get. You should get your entire public contact team professional consultative selling training. Most people have only been trained in technique by their predecessors. They have no idea what sales are all about.

Benefits of Sales Training: (Strategic vs. Technique)

- Sales training for everyone in the organization is the best upside leverage possible.
- Sales training is the best way increase transactional value.
- Sales training makes compounding exponential impact.

- Sales training should be for everyone in your business who comes in contact with the public: receptionist, accountants, service people, CSR's.
- Pay them (or otherwise reward them) for listening, because they may not yet appreciate what they're doing.
- Sales training isn't one shot — it needs to be continuous for everyone.
- True selling is selling the customer the feeling or sensation. You must ask questions to find out the end result of what the customer really wants. Ask, "What does that mean to you? What has to happen in order to get here?"
- Selling is simply a process of solving a problem.
- The most important sales skill you can build on is attitude — your own self-esteem.
- You must believe in the value of what you do and the value of your product.
- Sales people are mostly selling themselves. If the product isn't high value for them they may unconsciously sabotage the sale.
- Many people don't make a sale simply because they fail to ask for the order!
- You always have to remember to re-sell your sales force.

People who are intimidated about selling should recategorize or reclassify their paradigm. I look at it as the most wonderful opportunity you have to build life long, rich, dear, multi-dimensional friendships — and in the process, to discover and learn about all sorts of fascinating aspects and things about people and life that you'd never have known before.

Unless you hate discovering, how could you do anything but that?

There are two basic kinds of sales training: tactical and strategic.

Tactical training is based on technique, and follows a “formula” approach. Although the formula may work, it takes very little of the customer’s needs or best interest into consideration. It can be seen as manipulative, and depends strongly on choosing your words carefully and shaping what you say to accomplish the sale.

Strategic training is a mindset. I strongly recommend this approach. And, of all the instant leverage things you can do, this is the least expensive. Strategic training puts the best interest of the customer first. The salesman doesn’t care as much about what he says as what his intent is. He should advise people of what is in their best interest, and be a strong leader and consultant for them.

Have all your salespeople take some kind of formal training — and in fact, have everyone in your company take it. You should send everyone in your company who comes in contact with the customer to some form of formal sales training.

If you don’t, you’re denying yourself 10%, 20%, 30% instant improvement. Keep upgrading and continuously re-educating your staff. You will be amazed at the massive compounding impact it will have.

Formal Training Makes All The Difference

If you ask a business owner, “How do you train your sales staff?” they will most likely tell you, “Well, I trained them.” Or they may give their salespeople tapes, or send them to some kind of seminar. But many sales training programs are a series of gimmicks, rather than strategy and training (though there are some good ones out there).

Different sales experts are strong in different areas. But in any program, attitude, technique, and strategy need to all meld together. **Brain Tracy** has by far the best selling tapes, “**Psychology of Selling**,” which is basic selling techniques. **Tony Robbins** is stronger in strategy. **Napoleon Hill** is a long-recognized expert. **Tony Alexander** has a great product dealing in attitude and personality types.

The Sandler Sales Institute (located in Maryland) has had a dramatic financial impact on businesses. It teaches your sales force exactly what to say, what to respond to questions with, tailored to the particular industry.

Also read **Frank Bettger's** book, **How I Raised Myself From Failure To Success In Selling.**

Whatever training method you choose, offer your staff guidance in this all-important area. If you have one sales person who does 30% of your business, you can achieve greater leverage by giving that one person sales training than you can by giving all of the other mediocre people training.

But you should still make everyone in your organization a salesman and have them all listen to training tapes. Selling is servicing your customer. How few people realize that training is giving your salespeople leverage!

If you believe your customer is genuinely better off by having your product, you owe it to them to show them. If they don't grasp it, you must conclude that you haven't educated them properly. You must be committed to showing them in different ways until you ultimately get through. Your sales force can accomplish that.

Once your entire staff has been trained to listen to and respond to your customers' needs, they'll recognize and use every opportunity to increase each transaction's value. They'll be more willing to up-sell, guiding purchasing customers to a higher quality, quantity, better price, free goods, trade down option. (And 35%–65% of all purchases will go for the increased offer.)

Train them to offer specials — buy two, get one for 1/2 price, etc. It's easy, it doesn't take any more time, and it's in the customer's better interest. It adds revenue and profit that you would not have ever had.

Increasing Sales Skills Levels

Great salespeople are not born. Hiring existing good salespeople is very expensive. And even good salespeople may not be able to sell your product.

You need to start your own training.

Good salesmen have these qualities: (look for these in your employees) 1) They deal well with strangers; 2) They build relationships quickly and communicate well; 3) They have passion, energy, values, learn tactics and strategies easily; 4) They can and do close.

Closing in itself is an art form! Remember, having a prospect say no is not rejection — it's just an indication that you need to tell them more.

Reinforce the philosophy of “It's only a matter of time before I'm able to show you the value of our product” in your sales staff. The only real sales skill your people need is to ask for the order, and most sales flounder simply because the salespeople fail to ask for the order. Ask early and often.

The most important sales skill you can build is self-esteem. Believe in your product. Solve someone's problem. You really want to be on a lifetime crusade that your whole organization is in on.

Three Sales Types:

Everyone knows that personality is important in sales. Good salespeople fall into three basic personality types, each with their own strengths and challenges.

1. **The Engager:** Engagers are witty, charming, basically nice people who fit in well anywhere. They value and want to be liked, but don't internalize rejection if they're not. 20% of all salespeople are Engagers.

But they do have their downside. They're not likely to stay with you long term. They hate going back to the prospect if they don't make the sale, and they aren't good closers.

Engagers work best with products with short sales cycles — simple, fast sales. They're very good at lead generation, cold calling, and setting appointments.

2. **The Assurer:** You can think of Assurers as friendly, very knowledgeable teachers. They want very much to be trusted and respected, which comes from a sense of low self-esteem. They love to answer questions about the product.

So what's the downside? Until they know more than anyone else in the industry — and know it cold — they don't want to get up in front of anyone. Assurers won't prospect and can't stand rejection. They too are not good closers.

They are at their best when selling long cycle products, big expensive stuff that needs lots of detailed information. 70% of all salespeople are Assurers.

3. **The Compeller:** This is the quintessential salesperson — quick, a fast study — in short, a sales manager’s dream. They most value winning, which in the sales world translates to conversion. They are on a crusade to convert you. They take the “bulldog approach” by latching onto your wallet and not letting go until you buy.

But everyone has their downside. Compellers won’t prospect — they don’t have the patience for it. Only 10% of all salespeople are Compellers.

How to use that knowledge...

Once you recognize the traits, how do you put it into action to assemble that all-important sales team? First, take a look at, or possibly even test your existing sales force. Knowing what type of sales person works with your product is paramount.

Do you sell primarily on the phone? It will be an Engager’s pleasure to cold call for those new accounts and touch base with your client base.

Maybe you sell medical diagnostic equipment. You’ll need an Assurer. They won’t mind in the least educating those doctors and lab technicians in the latest equipment.

Is your sales staff constantly doing demos, but they can’t seem to lock enough of those sales in? Find yourself a Compeller.

Many times, though, the best sales team is a mix of different types to cover all the bases. Some product types work best with an Engager (to open the door) and Compeller (to close the sale) combination. Others are better with an Engager and Assurer (to educate the prospect through the long sales cycle).

Take Action and Take Control

But don’t get caught up in analyzing and testing your staff to death. It may be intellectually stimulating to compare theoretical personality combinations, but you’re after success. It’s essential to take action.

Anyone (and business owners with the highest IQs seem to be most vulnerable) can suffer from what I call the “paralysis of analysis.” You want to propel yourself to immediate action. Some of us would be well served by sticking our finger in a light socket and taking 60 points off of our IQ!

There’s a great feeling, almost a glory, in being able to draw a line through something on your “to do” list. When you take action you feel in control of your business, your environment, and your life. You have a sense of purpose and momentum that in turn propels you to the next step, and the next, and the next...

The universe gets behind you. The universe wants you to succeed. Once you make your mind up and take action, what starts to happen is unbelievable.

Remember, you don’t get out of life what you need, want, or what’s fair. You get what you fervently and honestly expect. By taking an action step, you increase your expectations. Your actions will show you that it can be done.

Sales training can be particularly beneficial to certain aspects of sales activity and to transactions with unique needs. To name just a few:

Technical selling vs. Strategic selling: Many people don’t like technical selling because of its unique needs and expertise. Because of those needs, the classic way to learn how to make technical sales is to pick it up simply by modeling other salespeople in your industry. A lot can fall through the cracks! This type of sale encompasses only a fraction of the opportunities available.

Life Insurance Sales: You can think of this as “counselor selling.” It’s essential to learn to look at the product from the buyer’s point of view — in other words, to help the customer buy instead of selling to them.

Sales for one broker improved 200% after completing a comprehensive training course, and levels have maintained since then. His philosophy now is “The customer’s problem comes first. What can I do to help him solve his problem? He’s actually buying a solution, not a policy.”

Professional Service Sales: A recent graduate vastly improved his technique in selling and tripled revenue his territory. “I brought home a better understanding of how to answer

objections and overcome them. The main key is to listen to what the customer is saying. Understand if they are just trying to get rid of you or if they have real objections.”

Remember, if you're telling, you're not selling. If you're talking and not listening, you're shutting down the other person.

Success Motivation Training Program: In two weeks, this sales training graduate learned how to lead the prospect and to qualify leads. “It's important to lead the prospect's mindset into the way we want in order to sell them a training program. Help them to achieve what they want in their life.” This particular student sold 10 to 15 motivation-training programs after just two weeks' training.

Sales training gives instant boost, which will be sustained. Train everyone who is in contact with the customer, not just the sales people, and you'll boost the bottom line. It's essential to influence the prospect to you, the product or service provider's way of thinking; understand where the customer is coming from, relate, connect, respect, acknowledge and compel them to action.

Increasing Sales Skills Levels – Vision Success Weekend

Many salespeople's only training comes from their predecessor. And granted, experience can be an excellent teacher. But you may sacrifice the breath of innovation and lose pace with the business climate of today if you rely solely on that experience alone.

I like to tell the story of the woman whose husband was watching her prepare a roast for the oven. At one point, she took a large knife and sliced off the two ends of the cut of meat. He asked her, “Honey, why do you lop the ends off of the roast?” She replied, “My mom always did it this way.”

But the question stuck in his mind. He really could see no reason why cutting off the ends would make a better-tasting roast, and it certainly wasted some good meat.

That night it just so happened that his wife's mother was joining the couple for dinner. As they sat down and his wife brought out the roast, the husband asked, “Why did you teach your daughter to lop both ends off of a roast?” Mom, a lovely lady over 90 years old, replied, “Well,

when we first came to this country we had a tiny little apartment and a tiny oven. We could never fit the whole roast in that tiny oven, so we just lopped off the ends.”

If you learn from your predecessor, you may be just blindly following outdated tactics and throwing out a large percentage of your prospects or business. Formal training gives much better results.

But don't take my word for it. Here are some examples of what sales training has done for businesses of every description:

Insurance Business

This company hired what they thought were trained sales people, and came to realize that they could improve their sales skills. The company brought a Tony Robbins sales training course in house and put everyone through a crash course — and saw a 100% increase in results after the course, translating to a \$300,000 increase in sales in a year.

What does the firm think most sales courses do wrong? “They'll give you 32 techniques for closing.” The course they chose was based on the psychology of selling. “Sell people for their reasons, not your reasons.”

Neutron Industries

This firm goes through constant training with their people. New hires get three days skill training, then three months of product training. One high school drop-out became a top producing commission salesman, and attributes all of his remarkable success to that training.

They have turned their entire organization into a sales organization. Everyone in the company has contact with the customer. “The sales process doesn't begin when you start talking to the customer. It begins when our employees pull into the parking lot, or walk in the front door.”

And it's paid off. The average billable time in their industry is \$2,500 to \$5,000. The average for this company is \$17,000 to \$19,000 per month with only one or two more people.

“Selling is 1) Being a teacher, and 2) helping people to decide.”

Heavy-Duty Truck Sales

Education is invaluable, and this businessman feels he's living proof. He started in sales ten years ago on straight commission and made \$38K that year. He learned by myself initially by listening to tapes — and made over \$160K last year, all through education.

American Pizza

All of this company's employees are team members. They all know all about the company, and everyone call sell. Everyone is a part of the team. "We learned from the Disney people the importance of training everyone. Learn all you can about everything."

Trainer, Speaker

A client of this trainer, a five-year-old real estate company, went from \$1.5 million a year to \$277 million just by increasing the sales ability of their people.

"Selling is all about relationships." Providing training for that process can also act as a magnet for recruiting people from outside the organization. "Support them in what they want by listening to them. Supportive systems keeps people and brings them in."

Chiropractor

A consultancy firm taught this chiropractor to divide up a sales visit into three categories, which proved to be an invaluable technique. "Our conversion rate from newspaper ads grew to 80%–90%." Single biggest lesson: "Give people a reason for coming in, and give them understanding."

Dentist

This dentist considers himself an Assurer, but his hygienist — a Compeller — actually does his closes. The dentist talks to the patient and then leaves, and she takes over. "My goal is the highest and best use of both my time and my resources." His best lessons? Pure intent was what sold, not the stature of the doctor.

Contractor

This man's company does in-home sales, getting in the door with free estimates. A 15%–20% closing rate was about the average for his staff. Then he learned to speak with the client longer and illustrate why it is better to do business with his company, and the closing rate increased to about 40%–50%. Lesson: "Present a more cohesive picture, and believe in what you do. You sell your sales staff on your company first before you put them out to sell."

Community Builder

This man's challenge was finding sales people who could sell something that didn't yet exist. They were trained in how to sell a dream, which worked great with no additional overhead. Lesson: "Go with your gut sometimes."

Hurricane Systems

This business owner feels buying equipment like this is an emotional experience. Ask the customer what it is that they want. This gives information about budget and what else is going on in the company, builds a bond and decreases stress. Take care of customer first. Ask questions.

Art Dealer

This dealer used a series of training course materials by Michael Thomas Corp., Nightingale-Conant and Michael Gerber. He took the training himself and had his staff study it as well. "We sold between \$500-\$1,000 per day, whereas our norm had been \$100 per day. In our top artists, my staff sells about 80%–100%."

Real Estate

This company has a floor person waiting for a buyer to call. With all calls, the staff gets the name and number to call back in order to capture information. "Asking questions in the proper order resulted in massive increase in revenue. We used role playing to establish that order."

CPA

This CPA didn't think he was a salesman. He didn't know how to find clients. Then he read a sales book and increased his sales by several thousand percent. "Knowing clients' needs and explaining how you can fulfill the need is essential."

Salesman

This career salesman had mostly formal training at corporations. For the rest of his training, he listens to every tape he can find and applies the ideas — an invaluable tool. Most importantly, knowing how to sell is not natural. "You need a system to implement. List the major objections, have questions formulated ahead of time, listen, and be prepared."

Sales Productivity Institute

The owner of this company started out in 1975 as a retail clerk for his father's bike store. He was earning \$18K per year and working long hours. Frustrated by the hard work, he asked his

father to help. His father pointed to books on a Dale Carnegie sales course and said, “Read those.”

He used a credit card to enroll, and feels he got where he is today based on that one course. He gets paid four times as much for one day’s work as he made in one month working for his father.

His method?

1. Qualify leads
2. Look at their basic needs and match products with what they can use. Ask, “What do you currently use? What do you like best about it? What would you like to change? What would you like to have it do better?”
3. Identify the key decision maker by asking the \$60,000 question: “If anyone at your company could say ‘no,’ who would that be?”
4. Budget your resources — not only money, but also time and energy. What are people willing to commit?
5. Establish a time frame and sense of urgency, based on knowing their needs and what is motivating them to action.
6. A lesson from Miller and Heiman Strategic Selling: Be careful of creating a win-lose which can become a “lose.” You’ll lose if you just sell the item to book the order. Be careful of a mismatch of value systems; realize that sometimes you can’t provide the best quality service at the lowest price.

Anthony Robbins Associate

This associate of the famous speaker started in sales at 15 years old selling space in newspapers. He feels taking sales training will make all the difference in your life, and that human behavior is something that must be constantly studied in every aspect.

“What we as salespeople learn is going to influence our client to take action on our product or service. Why? Because they are dissatisfied with where they are now. Some people are moving away from pain, others are moving towards pleasure.

“How do I motivate someone to move away from pain if I am someone who moves towards pleasure? Ask about what they are missing out on in life, what has it already cost by not taking action.”

Private Investigator

One of this investigator’s satellite offices was floundering. He gave the office’s manager the book, *Richest Man in Babylon*. In less than a month that office turned around and doubled its revenue. The company approaches sales from a different perspective in that they deal with attorneys and with the courtroom, and adjust their tactics accordingly.

Sales and Marketing

This man’s company established a college coupon program, which they took to a brand new market. They hired and trained sales people using micro-management. They wanted to know exactly what was said to the prospects, down to each word.

The company had established sales people who they had been using for years. They retrained them for three days — and broke every record the company had had for 15 years.

The company owner started at 17 years old selling encyclopedias door to door. The sales presentation had to be memorized, which took one week. “I was voted Man of the Year for that company worldwide, and had 126 people working for me — all using the exact presentation 14 years later. Learn powerful scripts, well-structured questions, make the whole process sound conversational and non-threatening.”

NLP Trainer

Lin feels the most important single thing in his career was to learn Neuro Linguistic Programming. “Selling is communicating. You can communicate with more people in more ways faster and more completely by knowing the processes of NLP.

Understanding that communication is physiological first, visual second, and words third. You need all three together to complete your communication. When you are communicating with someone, you are communicating with the whole person.”

Salesman

As a former employee of General Foods, Randolph gave original sales training, which helped in setting up his own business later. “I started focusing on one thing that no one else did. We are in the value niche. I own several pizzerias in Mexico City. People identify us as the best value they can get.”

Nursing Home Business

The recession really reduced property prices for this business owner. He went to a Dale Carnegie sales training course where customer focus was the biggest lesson. It’s important to understand what the customer wanted. For this industry, selling provides relief from guilt that people feel when they place their mother into a home.

After the course, the home went from 50% occupancy to 75% occupancy. He then wrote a script for the sales staff and had them learn it verbatim, which made a massive difference. The occupancy rate again increased from 75% to 95%. “We frequently don’t even sell the benefits of the home. We just ask the client about themselves.”

He feels that the essence of the Carnegie course was being genuinely interested in the other person, and seeing the situation from the other person’s viewpoint. In the sales process you go through a variety of stages: attention, interest, favorable attention, then you can possibly go into selling the facts and benefits about the product and painting a picture of the product. Then if you have to, ask for the order. (Though the customer will usually ask for the order at this point.)

Telephone Directory Business

This British business owner had no prior sales experience. He spent weeks having his staff go into local businesses telling everyone how wonderful his directory business was. He closed £900 at the end of ten weeks, an unimpressive amount.

He then had his staff take an evening sales course, and the following week closed £6,000 worth of business. “Best lesson ever. I can’t tell you what a difference it makes. Just in the way you perceive the way your business ought to be... just giving your people the tools to go out there and face the world with confidence.

Small local business people are a cussed bunch and did not like being told by a 22-year-old what they ought to be doing with their advertising money. Sales training is about giving sales

people confidence in themselves. It is only then that you can translate this confidence to your customers. Sales training is not a ‘one off’ experience — it must be done over and over again.”

Sales

Nigel got into sales at 17, reading ten to fifteen books per month. Three years ago, Nigel took a one-day seminar with Tony Robbins. Prior to that his company had been working seven days a week, virtually every hour of the day.

His biggest influence was a Strategic Influence seminar by Tony Robbins from which he got an understanding about selling results. “People really want to buy a feeling or a sensation, which is all they really get from what you give them.

Getting the rapport right, asking the question, what it is you’d really like to have — have them denominate it very deeply.” They cut their hours down from seven days a week to five, and almost doubled their sales. He learned three lessons: confidence in yourself, the power of questions, and that questions show interest. “When someone shows interest, you become interested.”

Computer Consultant

This computer consultancy business owner had a team of nine people. He put my telephone training principles into practice. “It was marvelous. The team spirit was great, people felt much more confident. It was a one-day course; Jay came to the office. No one knew quite how to handle a telephone call before that.”

Management and Sales Trainer and a Salesman

This team feels that if anyone is in business of any kind, you must sell. “Include all that you learn in your private life. I found out through Dale Carnegie that when you are able to give people the idea that’s really important to them, you have a friend for life. Accept that you give the client the possibility to be important, and look to his needs.

“Now, I start all training with a sit down, and do a meditation. We go into our natural being out from the mind, and then I start the training. I find that it is much easier.” He found that when people are in a good consciousness of your whole self and body, you are in a good place to sell.

Author

Richard's book, *Selling To Win*, has sold 300,000 copies. He has a money back guarantee on the back of the book. "Out of 300,000, we've had two refunds. I've made my career out of selling. Repetition is so very important. The finest form of sales training is live sales training."

Richard believes in strategic, not technique-type selling, and that it's the most powerful system of winning sales today. "Historically, sales were about learning the sales spiel, having the gift of the gab, the waffle. The finest salesmen in the world operate in the complete opposite to that, asking the right questions. The right questions vary depending on the product or service."

What is the philosophy to know how to do that? "Vary the questions you ask relative to your product by the aspirations of the buyer. Find out exactly what he or she is looking for. What do they want to solve? What do they want to achieve?"

The more you know about what their aspirations are, what their worries are, the better. Selling is just a very simple process of solving a problem, and it's not complicated. Managers have to be able to sell their ideas. You cannot manage people effectively without knowing the whole sales process. It is about persuasion as well."

Management Consulting Arena

He has a metaphor he likes to share. "Back when I was a young man, I trained as a transcendental teacher. My yogi said (about personal development teachers) that they are like people standing on a rooftop, and they are describing the view to everyone. But they don't have a ladder; they can't get anyone else up there with them.

"In sales, that is true of a lot of sales training. What's missing is something to do with the mindset of people who sell. You may not be fully aware. It is my belief that in this country (England) there is a huge physic problem about selling. Customers undervalue the input of professional sales people. The reverse is that the sales people themselves are also rather frustrated with this problem.

"Two years ago, I attended a two-day training course taught by two ex-IBM employees. In the course of the two days they managed to get into my head somehow or another that my time is just as valuable as my client's time, that my input was something he needed and that he had to value, and that it was a real exchange.

You are doing something that is of immense importance to your company, to the customer's company, to the national economy, and somehow this is missing from our national psyche.”

Accountant

This gentleman took on a client on recommendation of a friend's friend, a small company selling high quality ladies garments. The factory was dirty and in disarray, everyone was out to do him in — yet the owner was very charming. He didn't scrounge on wages, but made them work in dirty conditions.

“We had to instill a lot of niceness in him, restructuring and repackaging this man. ‘Let's make him a polished man.’ Over a period of 25 months, his staff talks to him, his staff likes him. The turnover went from £3,000 a week to £23,000 pounds a week now.

Lesson: The niceness of the human nature has got to come out. If you find the point of balance in the body, you can easily settle the details. If you find the point of balance in the details, you will stop rushing around. If you stop rushing around, your mind will become calm. If your mind becomes calm, you can think in front of a tiger. If you can think in front of a tiger, you will surely succeed.”

Computer Software Business

This business owner was first into sales at age 26, 23 years ago. He thought sales would be a way of making a lot of money easily. He learned all of the features of his product — not the benefits — and got frustrated and wanted out.

“The sales manager thought about it and sent me to training by a company called “Tack.” It revolutionized how I thought about sales. I learned about features, benefits, and the ‘you’ appeal.” He has had repeated sales training courses.

His lessons? “It's all to do with ‘you’ appeal, which means no ones interested in the details. What the customer really cares about is what it's going to do to him and how it will improve his life. In each situation, there are at most three key issues. Find out by questioning, and your success rate will increase very rapidly.”

Paging Systems

This business owner went through a sales training course on how to sell the features and benefits and how to put it together. It was attended by lots of sharp salesmen. “It showed us a quicker way to close that deal. 14 years ago, I was hitting 90%–95%.

Within a matter of months, I changed that to regularly doing 145% of target, and at the end I was at the top four or five regularly hitting 200%.” His best insight was using testimonials. “We collected as many as we could, and asked prospects to call the testimonials. This substantially cut the sales time.”

Insurance Agent

Years ago his manager asked him to go to an advanced sales course for one week. He had a breakthrough there, which later carried him through his career. “Discover your clients real needs, precisely what those needs are and go in with a plan.” He came back excited with solid knowledge and the true purpose of selling. “Suddenly I was discovering needs all over the place.”

“Normally sales training can boost anyone’s performance 100%–200% overnight. You can get a tape set for \$60, or an in-house program for \$1,000. Strategy is much better than technique.

Actions will carry it for you even if you screw the strategy up a little. Train everyone. You owe it to yourself to get the most leverage out of what you’re already doing now. You will not get your best enduring leverage from pure technique.”

Technical vs. Strategic — General Industry

Technique-based sales are limited and could be manipulative. A strategic sales approach is consultative, concept-based, and is based on the right motive. Never in my life have I seen more upside leverage than with sales training.

Most sales training is not really sales training. Most people have been trained by somebody... who was trained by somebody... who was trained by somebody else.

Sales Staff - Picking your sales staff and training them

There's research on the three different kinds of sales people, which is the error everybody makes, except companies that understand this research. You'll find out there are three different kinds of personalities. Everyone calls them all sales people, but they can't all do the same things. And if you segment your sales process according to these personality traits you'll be successful.

If you try to force these people into different roles, it will fail. So what we're really getting at here is clearly establishing the criteria in terms of skill sets, in terms of character, in terms of personalities and values of this particular sales person you're trying to hire.

Go out and at least make one sale. It's an easy way to write your sales manual. Make a call and sit down afterwards and say, Here's three things you never want to do again. Talk to that sales person about whether it can be done; you're not sending them out to do something you know can't be done.

Maybe you get five of the hospitals signed up in a week — you become the sales person until you can find somebody to replace you. Or you bring somebody along with you so you train.

The issue of principles having to sell is so important to businesses these days. At the very highest levels you have to get senior officers selling and even if you don't conclude the sale, the fact is that even at the highest levels, principles have to get involved in selling.

It takes a pretty long time to build a relationship. Once you present this and you say to them, We look good. We've almost got one, we're close on the next, we've got three others. They're not going to say, I'll take it!

So the next time you say, I've got two signed, I'm working on the third. You've got a chance of closing them in because the trend is going to be good. You may have to talk to them three or four times anyway.

If you wait until everything's in place before you get into gear, that's going to put you downstream another six to nine months. That also gives you a reason to keep coming back. That's exactly right. Because you've got news. If you can make it look good now, then it's better and better news each time you have contact with them.

You know you're going to get turned down on the first round of the cycle but you can find the subtle nuances in each one of them so that you can fine tune your offer.

You need to get your own direct sales plan in motion and start making those initial calls and working it up. While you're in this sales process, start taking notes. How do you know who's in charge? Where do we have that information in our files? How do you get through the gatekeeper? Who are the secretaries you call to get in and so on and so forth.

So some time you turn this over to somebody else. Turn it into a protocol and selling process that you can codify including every successful or unsuccessful presentation and call them and debrief yourself.

Even if it's just linear where you're writing a journal that you could turn over later. Here's my journal of sales calls for the last three months. Here take it. Read it. A

and then when you're out hiring, when you get somebody that looks like they might work, bring them on as a protégé, like a journeyman and have them go on the calls with you and that way before you turn the accounts over you can get a feel for where these people's soft spots are and where they're being ridiculous and you can sever them if you see there's going to be some conflicts or you can slowly pass the business over to them.

Ultimately your exit strategy is to have somebody take over your place and continue to do what you do. And the contact management programs like Act is really a good tool. If you are a good negotiator like you say, you know the most important thing in negotiating is to find out what the other person needs and wants. Find out their expectations, their values, their fears and so on and so forth.

Chapter Two: Qualify and Pre-Frame

Qualifying Leads Up Front and Pre-framing Your Customers

The quantity of leads up front or the quantity called on is meaningless — it's *quality* that matters.

You want to always devote your time to the highest and best use. So make sure if you're working on a sales call, a phone call, a mailing piece, an advertisement, a commercial, a booth at a trade show — it qualifies your prospect, making the best use of your time.

The piece should telegraph who you are looking for, what the promise is, and make it clear so you can concentrate your time on the largest number of qualified prospects imaginable.

The more qualifying you are, the fewer prospects you'll get, but the more probable it is that they will turn into customers. You do that by asking more questions, gathering more information, and going to better quality lists. Tell your staff and associates up front what the process entails so you turn off looky-loos and unqualified people.

Identify the right people. Identify the people who are the starving crowd, rather than wasting your valuable sales time, and the prospects' valuable time, offering a product or service which they are not ready for, prepared for, can afford, or are interested in.

Don't use the "Smile and Dial" method of marketing. In other words, don't just call people at random. **It's a complete waste of your time and money.** Too much time wasted on ineffective marketing methods will doom your business or career.

The greatest salespeople are very proficient lead screeners. They know not to waste too much time on those who don't fit the profile of the typical prospect who becomes a customer. Wasted time on unqualified leads is the number one factor affecting sales success.

You can be “busy” all day talking to people, but you won’t make sales unless they are indeed qualified prospects. The more qualified the lead, the better opportunity for the sale. You do everybody a favor by qualifying them up front.

Use laser-like precision to target your best prospects. Use the rifle method, not the shotgun method. Don’t be generic in your advertising. Focus only on lists or markets that need or would want your products. Direct mail can be used to flush out your best prospects by having them call or send in a reply card for more information.

Not everyone is a potential customer for your products. Address your advertising efforts to people who have the potential to buy your products. Don’t advertise timeshares to people on welfare! Use common sense and logic. Unqualified leads are of no use to you. Lead generation should be aimed at those who will be the most likely to purchase your products or services.

Flag the attention of the people you want to talk to. If you’re talking just to homeowners in an ad, put the word “Homeowner” up in the corner; it selects out people who are homeowners — and no one else will bother. If you want to make it even more exclusive, add “For Homeowners Only.” In your ad, put a list of qualifiers such as “If your feet hurt...” or “If you can’t dance anymore the way you once did...”

By having a qualification program you do two things: you eliminate people who are not right for you, and you also make people desire your service more because you help them go through a process of revering and appreciating your product or service and trying to qualify for it.

The cost to acquire leads should be in direct proportion to the quality of the leads. Sometimes list brokers will sell you leads that are supposedly qualified and current for what seems like a good deal. Test the list before mailing to everyone to see if you indeed have a good list. Otherwise, you could waste thousands of dollars and countless man-hours.

I used to be in the lead generating business. You can buy leads for fifty cents; you can buy leads for \$50. I found that sometimes the fifty-cent lead was more costly than the \$50 lead because sometimes the quality of conversion wasn’t there.

Bingo card leads, which you see in a magazine where people can check an “interest” box so easily, are basically worthless. If you want to find worthwhile prospects, imagine if you had

someone who, of their own volition, cut something out, filled something out, stuck it in an envelope, addressed it on their own, stuck a stamp on it, or picked up a phone and called.

It used to be that everybody and their brother did bingo cards. It only makes sense to use bingo cards in magazines today if everybody reading the magazine is already a quality prospect. If you know that 100% of the people reading the magazine are CEOs of companies in the \$25,000,000 to \$100,000,000 range, and in the service business, and that's 99% of what you want — then it doesn't matter if they send a bingo card. It's a passive raising of the hand.

On the other hand, if someone reading the magazine could either be a wanna-be, a low-level manager, the owner of a \$500,000 business or the president of a \$5,000,000,000 business, you could say something like:

“This service works best for companies of 500 employees with sales of \$20,000,000 or above and can best be understood by a C-category executive. For that reason, we are delighted to send an expansive grounding package to any C-level executive who will fill out this...” You don't get as many, but you get the quality you want.

You should ask yourself, “Am I not qualifying my leads enough? Therefore, are they harder to sell because they are not really receptive to the offer?”

Leads are prospects. If they haven't already bought, anything you do with them up to that point means they are a prospect. Anything you do to bring them in is great, but just bringing them in if they are not qualified is a waste of time.

A lot of people who may not be great prospects don't respond to your presentation. You can waste a lot of time trying to sell people who don't have the time, money or interest. If someone isn't objecting to your sales pitch, they aren't interested. If someone isn't testing what you are saying, they are not a buyer.

Do you have people call you at work and ask for prices over the phone? Never tell them. If you do, you're only encouraging them to be price shoppers rather than educating them. If they call you and ask you for a price on the phone, don't tell them the price — instead ask them a question.

Find out more about them and what their needs are. If someone calls and insists on asking for a price, you can give them a price range. You have answered their initial question, but you haven't given them anything they can use to let other people in your marketplace make a comparison.

The best companies gently qualify by asking questions. You ask questions to determine if the person is a real customer — how urgent their need is, what their application is, what their ability to pay is. And you ask these questions in a spirit of openmindedness.

If you can solve their problem without selling your product, that's OK too. Be honest with them. You're selling an honest product and you're looking for a "forever" relationship with them. The worst marketing job is by someone who says their product is good for everybody, all of the time.

There are prospects, there are suspects and then there are just the living dead. Fish where the fish are.

Why did Willy Sutton rob banks? When they asked him he said, "That's where the money is."

Most people don't understand that the most valuable time you've got is your time and your opportunity cost. If you waste it imprudently on the wrong people, you suboptimize or you get a much lesser outcome.

If you have anything that is expensive or conceptual, it's very rarely sold in one or even two communications. You may have to post-lead acquire, post-acquisition invest a fortune in evolving, in migrating, in gestating, in advancing that from lead status to purchase or client. Not in all situations, but in many.

So what we always say first is see what happens with the strongest lead, and then go weaker or wider or looser. Because the concept is: The more qualified they are, the less selling, marketing and long buying cycle you will have to endure, and the easier and faster you'll sell. And if it's a repeatable item or if it spawns repeatable items or services, you'll get into residual income.

That stated... I'll give you some examples.

When Carl and I first started playing with the Internet together, we believed all the B.S. We thought all you had to do was have everybody jump on the Internet and read the ad on your site, and they would register for expensive things. We would get 7,000 people to go to our website — and seven would sign up.

We decided instead we were going to dramatically reduce the quantity, but profoundly enhance the quality by making them call Carl, or at least e-mail or fax Carl all of their contact information as an exchange *before* we would send them the product, the prospectus, the report, or the tape that we had promised.

And we incorporated that into the value proposition. We'd say, "Hey, this is for serious people. If you are, you wouldn't mind our asking for this information. If you mind, then it's not worth either of our time, and we don't want to invest." We reduced our quantity by about 50% but our quality went up about ten times.

Car dealers feel that somebody who comes in is better than somebody who calls in. They will spend time with you before they give you a price. Part of the reason they go through all the seemingly B.S. conversation for the half hour or so is it gets you more qualified. At any point, it's almost like it's a dare. "You knock this chip off your shoulder and leave," because they know that every minute or hour more that you spend talking to them means you're more invested in the deal.

In lead generating, there are four factors in the process that work together. Most people think the only factor of concern is, What will it cost them? That is a nebulous piece of information that has no meaning until you know the other three.

The second piece of information is the percentage of leads that convert to customers.

And those two are still meaningless unless you know the third piece of information, which is the average unit of sale and corresponding profit of those converted sales.

And as meaningful as it seems, that's only relevant when you add yet a fourth piece of information — which is the residual value, the repurchases, the referrals, the add-ons, and the

upsells that come from that first sale. Until and unless you know all four factors, you don't truly know whether a five-dollar lead is many times less valuable than a fifty-dollar lead.

Getting Leads From Your Competitors

One of the most audacious of my marketing techniques is to get your competitors to give you sales leads. When will a competitor give you a lead? When he's given up on that lead and can make money by turning it over to you.

Want an example?

Real Estate

A realtor came to me wanting to boost her business. She was based in a small town in a scenic part of the country and had been trying to attract out-of-state buyers by running ads in big-city newspapers to promote retirement homes for sale.

I suggested she contact other realtors who had run ads for retirement homes in other scenic parts of the country and make them the following proposition: "Give me the names of all the people who responded to your ad but didn't buy. You've probably given up on those people, and you've made nothing for your efforts. Give me their names, and I'll try to sell them on real estate in my town. I'll give you a commission on any of them I close."

Do you think it worked? You bet it did.

Getting Vendors to Generate Leads for You

Lead generation can be an expensive proposition, but I've developed a myriad of ways to do it — and for no up-front cost at all. One way is to find vendors who already call on customers who could buy your product and offer the vendors a percentage of any sales they generate for you.

For example:

To an owner of mini warehouses, I recommended contacting realtors, swimming pool companies, carpet dealers — anyone who serves the home — and offering them a commission on any mini warehouse rentals that emanate from people they refer.

To a temporary help service for restaurants, I suggested contacting all the food purveyors in town and offering them 30% of any sales they generate for the temporary help service. The temporary help service would provide all the marketing materials and would train the purveyor's salespeople.

The proviso would be that the purveyor has to credibly and extensively promote the temporary help service to at least five of their customers per week.

By setting up an arrangement like this with just 10 or 12 purveyors, the temporary help service could reach thousands of prospects per year — far more than they could do on a limited budget on their own.

Lead Generation and Conversion

I have been impacted by people who are doing gargantuan levels of business by utilizing two-stepping, where they'll go onto television, or into direct mail or magazines, and do very, very fascinating and provocative regenerating.

They will get some people to call into a bank of well-skilled, well-oriented, extremely well-prepared telemarketers who act as consultants, account executives, or whatever picture or definition you want, but they answer the questions and close people at a very high incidence.

I've always been impressed with telemarketing, and I think telemarketing is very good for a safe harbor, such as your customer or prospect list. **I think a telemarketing program is *more* powerful if it's based on getting prospects to call a number where they're going to be put in touch with your qualified expert who will address their problems, consult with them, and fully explain the techniques about some product or service you're promoting.**

It seems, from a success standpoint, that when salesmen are working a qualified in-call, their zeal, their conversion, their success rate is vastly improved, rather when they call cold. If you're trying to maximize the effect of a telemarketing campaign, always suggest that instead of just giving somebody a list cold, you first mail the list and ask those people who are very interested to call or write in immediately for more information, or for answers, or for a free consultation, or for a viability examination, or a free exploratory examination.

I think you should experiment with ads and commercials that titillate people and have them provocatively call a direct number, whether it's an 800 number or a 900 number, to get more information. Or to get free information, to get a free consultation, to get a free evaluation, to get a free trial of the product or service in their home, to get answers as to whether the product or service is applicable. You will have enormous successes in your marketing.

I strongly urge anyone who's never done it to employ a test where you try a very succinct but compelling lead-generating mailing ad that really titillates qualified prospects and compels them to call in — whether the ad is geared toward business or consumer — and promises that they'll talk to a skilled, knowledgeable, well-informed expert.

They'll call in and talk to your people, who can authoritatively discuss the relative merits and disadvantages of your product or service. Please be mindful that they should not always talk about the positive. Have some reverse selling negatives or flaws that they broach upon. And experiment with this.

I've explained to you before that it's my belief that the effectiveness of direct mail as a selling tool has lessened dramatically because there is such a plethora of competition. But it's a wonderful prelude to a follow-up call. It's an even better device to get people who are qualified to call you.

When we promoted our Abraham Boot Camps around the country, we found that for every person who attended the promotion itself, there were ten people who called in and could be converted after they talked to a knowledgeable, authoritative expert who'd been to the camps, who answered their questions factually and in a straightforward manner.

Experiment with two-stepped in-calling to qualified, skilled commission-based telemarketers. You'll find even some of your most unsophisticated staff know a lot about you and your products and would be delighted to make themselves \$2,000 or \$3,000 a month in extra bonus checks for handling in-calls.

Experiment with it. Try in-calling, do telemarketing. But you'll do vastly better if you do lead generating. Spend a little more money to get people to call in where it doesn't require your sales people to have to work that hard to break the ice.

If they're calling somebody who's predisposed to buy, you'll find the closure rate will be enormous, the profits will be substantial, the salespeople will be excited, and they'll feed and thrive on each successive close. You'll add tens of thousands of dollars a month to your bottom line, and it'll be a windfall.

OK, so you've run an effective ad campaign, or telemarketing campaign, or conversion, or any combination. Now let's talk about another strategy to apply to your newly-acquired clients.

Pre-frame or Program Customers to Buy More and More Often

An effective way to ensure repeat sales is to lock the client in for a period of time. For example, accountants, dentists, chiropractors, hair stylists, and other service providers might offer an entire year of service for a flat advance fee.

Using this approach, you might even offer the first product or service free or at a reduced cost in return for the customer's commitment to purchase the same product or service a given number of times over a specified period.

This concept can be applied to any business that offers an ongoing service, like a hair salon, a car wash, a monthly newsletter, a medical practice, and so forth.

Like many of my ideas, this concept is extraordinarily simple, yet it results in nothing less than guaranteed future cash flow.

Here's how it works: You get the customer started by offering the first service free (or at a very low cost) with one provision: The customer must agree in advance that if they like the product or service, they will continue to purchase it for an agreed-upon duration, at an agreed-upon price.

A giveaway introductory offer is a definite attention-getter. Your generous sounding offer will turn heads.

Let me walk you through some real-life examples.

Auto Service Station

A service station could perform an oil change and lube free of charge for a customer, provided the customer agrees in advance that if they're happy with the work, they'll sign up for four more oil changes at the regular price during the year, to be automatically billed to their credit card.

Do you see what this accomplishes? Instead of waiting for customers to come in when they need an oil change (and hoping they don't go to your competitor's service station), you are now guaranteed that the customer will pay for four oil changes annually. All you have to do is telephone the customer at regular intervals to schedule an appointment, perform the job, and process the charge slip.

Yes, you will lose money giving out free oil changes on the front end. But the loss will be more than made up by the back-end profits from the four additional oil changes you'll be performing during the year. And your marketing cost for these oil changes is zero.

Carpet Cleaner

To a carpet cleaning service, I recommend a similar structure. Offer new customers a free cleaning of one room, provided the customer agrees in advance that if they are happy with the work, they will sign up for regular cleanings four times a year, automatically billed to their credit card.

See the strategy? Instead of waiting for customers to call when they need a carpet cleaning, the company is now guaranteed that the customer will pay for a cleaning four times a year. All the company has to do is call the customer each season to schedule the cleaning, and write up the charge slip.

Naturally, the company will lose money giving out free cleanings on the front end. But the loss will be more than made up by the back-end profit from the four-times-a-year cleanings — especially since the marketing cost for the future cleanings is zero.

In many cases the greater the frequency of usage, the greater the level of benefit the customer receives from your product or service. If this applies to what you market, then you owe it to your customers or clients to offer programs that make it easy and appealing for them to use it more often and get even better results.

Service Companies

Service companies can develop maintenance programs with multiple service calls bundled in one contract. The advantage to the customer is better maintenance at reduced costs and more convenience.

Product-oriented companies can develop step-by-step purchase programs where the customer buys a basic model and then is regularly offered upgrades or enhancements. The advantages to the customer are lower entry-level costs and consistent value from the product over time. Computer hardware and software with subsequent upgrades and enhancements are a prime example.

The key to program selling is to develop a step-by-step process that gets the customer or client to commit to regular purchases over a period of time by offering increased value and/or pricing incentives.

Program selling defines the entire sales process by testing and calibrating every step of the sales process.

Many service people are simply “reactive” in their marketing — they’re not “proactive.” By this, I mean that most service people simply react to their customers who call them for service. And once they’ve rendered the service, they never try to set up an ongoing relationship with that customer. They just sit around waiting for the next customer to call.

Now, what would happen if, right at the time the service is being most acutely rendered — by that I mean right at the very crux of the service (for instance, when a pest-control operator has saved a homeowner from a horde of vermin) — instead of rendering a bill to the customer and walking away, the service person merely asked the customer if they would like to put their house (or their business) on a regular or ongoing maintenance program?

Probably 50% of all the customers calling for a one-shot service would take advantage of this ongoing offer. The maintenance program could consist of coming to the home (or office) four times a year and taking care of all the vermin and insect problems for one simple fee charged on their charge card every quarter. Let’s see what that would be worth...

Pest Control

If a pest-control company has 1,000 people they deal with each month on a one-shot basis, and they were able to persuade 50% of them, or 500 people, to sign up for a four-times-a-year maintenance program for \$250, that would add \$125,000 in sales to the pest-control company's business just by asking customers if they would like to sign up for an ongoing maintenance program and that's probably worth \$85,000 in profit!

But it's not limited to pest-control operators. It's open to plumbers, electricians, carpet cleaners... the list goes on and on. If, for instance, when a tree trimmer goes out and trims a tree, instead of leaving after they've been paid, they say, "You know, Mr. Smith, for only \$300 a year, we'll come out and trim that tree four times a year, and if it gets out of hand in the meantime we'll take care of it free-of-charge," probably 1/3 of the people would sign up for that.

If the tree trimmer deals with 500 people a month, and 150 of those people sign up for the maintenance program each month, that makes 1,800 people who sign up over a year's time (150 x 12 months), times \$250, of which probably \$100 is profit, which means you've probably added \$180,000 in profit to your business instantly!

And remember: It didn't cost you a cent in advertising to get that extra \$180,000. It's all gravy.

Virtually no company ever thinks in terms of selling their customers a longer-term package of their goods and services. And yet, it's very easy to sell people a six-month, or ten-month, or even a two-year supply and get them to pay in advance, whether you have to furnish it to them now or not. All you have to do is make the right proposition.

A lot of people would be only too eager to agree to purchase a certain minimum amount of your product or service at certain key intervals if you would but allow them to, if you would help them, if you would let them, if you would but make it available.

The story of the tree trimmer is a good example. I used to have trees that grew up all the time. I'd call a different tree trimmer every time because the last one would go out of business. Tree trimmers have the most pathetic business in the world. No one would buy their business from them because it's nothing more than an extension of the person. They live job to job and there's no renewal in it.

Yet if, at the point of purchase, instead of doing the one-shot tree job, those people would have said to me, “Mr. Abraham, for a lesser amount per transaction we’ll set you up on our automatic four-times-a-year pruning and trimming process where we just come automatically.

We keep your trees trimmed... we cut them down... we make sure the view’s not impeded. We do all kinds of wonderful things and we just bill your charge card a nominal amount, which is a fraction of what you’re paying right now and you can fully apply what you’re paying to the first quarter of this service. “

I would lock myself in forever! All of a sudden that tree service would have so many people like me who automatically were getting their trees trimmed every three or four months that they’d have a business they couldn’t stop if they wanted to (if they did good work).

It’s smart to lock in sales in advance.

An added by-product of this technique is the goodwill, which will naturally develop between your business and the customer. You may decide to couch your offer with a slightly different twist... Tell your customers you will forgo the usual profit you make now, because you understand and sympathize with their plight, but that you fully expect to make it up later.

Not only will your customer appreciate your benevolence, but they are very likely to refer your products and services to others.

Few businesses ever think in terms of selling their customers a longer-term package of their goods or services. And yet, it’s very easy to sell people a six-month, twelve-month, or even a two-year supply and get them to pay in advance, whether you have to furnish it to them now or not.

All you have to do is make the right proposition — one that clearly defines the benefits of the long-term arrangement.

Give “TFN” Selling a Try

Another related way of setting up a long-term purchase agreement is what I call “TFN” selling, or Til Further Notice. A TFN arrangement (sometimes referred to as “til forbid”) is an automatic process whereby you systematically — at pre-agreed-upon intervals that

are most appropriate for your customer, client, or patient — ship them a product or provide them with a service and bill their credit card or account.

This process continues indefinitely, with the customer retaining the right to cease and cancel at any time.

Nutritional Products

If you sell vitamins or herbs or coffee — anything people consume regularly and need to replenish — this approach is a natural.

Jeweler

A retail jewelry store I know gave away gold charm bracelets up front to customers who agreed to have a limited-edition charm sent to them (and automatically billed to their credit card) every month thereafter

The same dynamic will work in non-retail lines.

Dentist

Dentists can offer a package of scheduled “family visits.” Exterminators can sell periodic inspection agreements. People marketing vitamins or nutritional supplements by mail can offer an automatic-restocking option.

If you offer a service that’s performed on-site, you’ll just automatically schedule the service every X weeks or months or years until the customer says “stop.” If you are a health care practitioner or other kind of service professional, you could simply set up standing appointments for the customer.

Pet Shop

Sometimes you can combine the retail and service approach. A retail pet shop owner I know offers a time-plan grooming service to customers who own cats or dogs. The service is a discounted 12-month package, with 25% payment up-front. Under the plan, the shop owner gains a predictable stream of customer traffic and — with each grooming visit — another chance to sell accessories and pet food to good customers!

While TFN selling is ideal for businesses that offer an ongoing service, I’ve also seen it successfully (and lucratively) applied by manufacturing and retail businesses. For example, if you

manufacture and supply a product to other businesses, you might arrange to automatically ship them five gross or ten 55-gallon drums every X weeks or months until they say stop. Your customers could always adjust the amount up or down if necessary.

The trick is to sell your customer or client on the *convenience* of a TFN arrangement. Position the relationship as a service you provide to make their lives easier — no need to call in an order, no need to schedule an appointment, no need to write out a check every month, and no need to worry about running out. Set it up so the process is so automatic, they don't even have to think about it.

Your transactions with customers or clients don't have to be unpredictable, one-shot propositions. You can put your customers on a time plan and bring more value and benefit to them, more regularity to your own operations and more cash to your bottom line.

Let your mind chew on this time-plan approach. Ask yourself, “How can we use timetable selling?” I predict that you will find an answer — and a profitable application.

Pre-framing or Programming Customers

No, it doesn't mean doing something psychedelic to someone's brain. It doesn't mean like Jim Jones in Guyana. It's quite the opposite.

It all dovetails into the philosophy of helping your customers or clients buy all they should, the quality and quantity that they should, at the frequency they should, to get the maximum result, benefit, advantage, profit, protection, well-being they should. You remember it — the Strategy of Preeminence. That comes from working with them in the beginning to develop a strategy they are working with forever. This comes from helping program their thinking to realize what they want and need.

Start with the belief that your clients will be with you forever, so your responsibility is to assume they want your leadership, guidance, and advice. So start from the beginning to guide them benevolently toward what they should do.

Start with the belief that **you have a higher purpose** to do more for your clients than anyone else. It doesn't have to be immediate — it can build and grow. Tell them what they should be thinking about and what they should be doing at key intervals.

Some people are project oriented. It is easier for people to know there is a beginning and an end to a transaction, a project, a service, a commitment... You can then step them up to a bigger beginning and an end, then you can step them up to another bigger beginning and an end, and another...

Programming customers is a way of helping them refine their life strategy.

It means from the moment you initiate the sale with your prospect or client, you get them to acknowledge, agree, desire and commit that their goal is to get the maximum result from the product or service you sell.

They need to keep acquiring it, reusing it, and committed to an ongoing purchasing process. They are looking for great helpfulness. For example, “You’ve got to take this regimen of vitamins every day, 30 days a month, 12 months a year.” “If you want to be a great athlete, you’ve got to train every other day, or every day for two hours.” “If you want to be in good shape, you’ve got to work out regularly.”

You’re just helping program your customer or prospect to expect their entitlement to the ultimate outcome, but to understand the performance they’ve got to deliver going in, in order to get what will give them the greatest benefit.

If you don’t program them in the beginning, then you have to work very hard and pull them to do it afterwards. If you program them in the beginning, *they* are going to be more motivated to do it than *you* are, because they have already confirmed and committed to it and understand it. You get them to acknowledge the fact that in order to get the maximum benefit from the product or service you sell, they need to keep acquiring it and reusing it.

This gets them to buy over and over and over again, because it is in their best interest; because they understand the inherent advantage to them, either in the uninterrupted performance of the product, or with a service in the buying advantage on a discounted basis, convenience, security — whatever.

It shouldn’t be a matter of “cross your fingers, click your heels, and thank goodness it happens.” It should be an integral part of your selling process. Your goal should be to get them to commit and affirm to the process.

Even though you can benefit from them signing onto the program, they will benefit even more by getting better pricing and continuous ongoing benefits.

If you do it in the beginning of the sale, you reinforce it in everything you do. You reiterate this message in the material you send out, when the product is delivered, and with post purchase reassurance communication.

They need to understand going in that maximum result or performance only emanates from continual use. They may already philosophically be committing themselves to ongoing consumption and purchase, but you've got to help them because they may not realize that. A lot of sales people are just tickled pink to get the first sale... and they *hope* they get the back ones.

You're doing a disservice — in essence, stealing from their quality of life of your customer — if you don't do everything in your power to enable them to buy the largest amounts and best quality they should, as often as they should and can. You need to help them by asking, "Hey, do you want this outcome? Do you want to keep getting it forever?"

It means benevolently, constructively, nobly, suggesting to your prospects and customers at the beginning that the best way for them to get the outcome that you feel they want is to buy on a frequency of use.

Nutritional Products

For example, "If you take these supplements once every three days, they can't work. You've got to be committed to taking them three times a day for the rest of your life. You've know you're going to run out in 30 days, so I'd rather not worry about you..."

So how about if I automatically send you a box every 30 days, until and unless you tell us to stop, because it's in your best interest? And if that's not good, how about if I call you 25 days into the month to make sure you don't run out?"

This is another application of the principle that people are silently begging to be led. It's not unethical. People need guidance. We all have too much confusion. If someone tells us how to use their product or service effectively, you'll do it, won't you? Unless, of course, you find a really strong, compelling, antithetical reason not to do it. Why not? It's nice to have someone to tell us when and how to use it

This is about assisting in a consultative manner, educating people so you can help them evolve to a buying or usage or intelligent strategy that makes sense to them. Because most people shoot from the hip. Help your client visualize a picture of what they are shooting for.

The process of programming people is simply anticipating their needs in the future. If you know people and you know what the consumption pattern is, you can paint a picture of the next transaction. Start from the beginning to paint a picture of what the relationship should look like forever, and why a commitment to an ongoing philosophy of purchase and usage and protection is going to get them so much better an outcome than a one shot deal, and that you can't in good conscience sell them just one time.

There are a lot of people selling and hustling, but there are very few people willing to take the time to help them formulate a strategy and show them the advantages and walk them through the financial positive implications, the downside reduction implications, and the peace of mind positive implications.

Programming people by giving them educative reasons why and that they should be consistently committed — not intermittently or ad hoc or haphazardly, or unstrategically — and why it will produce a greater savings, result, improvement, strength... whatever the benefit is. *You can own the client forever because no one else does this!*

But you program them to recognize and understand and agree that they want the maximum continued outcome, the continuous performance your product or service has the capacity to give them if they continue it. For example, going to the health club three times a week is a lot better than going once a month.

Use “Reasons Why” in Pre-Framing

The “reasons why” should pervade everything you do externally and internally, to both sets of your customers, namely: 1) Your staff, employees and team, and 2) Your customers, the people who actually buy your products and services. (There may also be a third set of customers, which is any influence centers involved in your sales.)

When people are on a frequency purchase program, they are generally aware that it helps your business, and they want recognition for their commitment. A small price inducement like

5% for frequency goes a long way, not just because of the reduced price, but also as a form of recognition.

A 5% price inducement may increase your recurring purchase programming by 50%. This is a form of reciprocation. It is about having a higher causal purpose to enhance and enrich the quality and profitability and security of your customer's life.

In programming for updates or a back-end you could say, "We have done and continue to do a tremendous amount of research to learn about people in your situation. We have been asked by a lot of our other customers to source other appropriate products and services for them that this division needs to buy. We're very willing to offer this to you. It may not be something you want, but we performed due diligence at a level you can't imagine — more so than you probably have time to.

"It's because we can afford to do it, because we are representing 20,000 individuals, not just one, that we can negotiate because of our clout some rather extraordinary benefits — not only discounts and greater product quantities, but support, guarantees, protections, warranties, and service thrown in for free.

"So what I'd like to do, if it doesn't offend you, (and I don't know why it would because I think you get a great value out of it) is to include you every time we announce to or alert our preferred clients of opportunities we've made available." They will all thank you for availing them of the opportunity.

A Wish, a Hope, and a Goal for Your Customers

You need a wish, a hope and a goal for every one of your customers. Until you have a wish, a hope and a goal that is heartfelt, you're not going to get them.

The big strategic answer for me was to program my customers that if they want to come back and see me again, if they want to participate in all the energy I have expelled, to learn and get all the ideas to bring back to their business, I can't be traveling all the time. If they want to come to see me again, they have to bring two people with them.

So, we sign people up for \$1500 one-year memberships, where they get an enormous amount of value; tapes every month, newsletters... we just overwhelm them with great ideas. And

they can come back to our three-day seminar twice a year, but they can only come if they bring two people.

This would bring in about 200 people. About 80% would sign up for the program, which means to me that I don't have to go out and enroll people in the program... which means I can spend more time making a better program when they come back. Ultimately that's the best thing I could do for my customers. The best thing I can do is stay home and have a good relationship with my family. I can give more to others because I won't be so stressed out.

If you have a problem with programming your customers, you probably have a problem with revering the value of your offering. If you think you don't know if it's right to sell your customers more of your product, go back and find out why you don't revere your own product

Programming is Meeting Needs Systematically

Programming your customers is about managing expectations. It's not manipulation. It is meeting needs systematically.

So at what point in your strategy would you use or discontinue this particular tool? The answer is, it's probably going to be used all the time.

There will be certain constants and certain variables in everybody's strategy. Giving maximum service to the client... differentiating yourself — even if your differentiation is offering a low price... enjoying the relationship you have with the buyers and associates. Some combination of these and many other strategies will be constant elements in whatever overall strategy you choose.

Exactly when different approaches are called for will depend on the kind of business you're in, the current sales cycle and “migration path of the purchaser” — which means the sequence of purchases your customer normally progresses through.

In other words, the customer initially comes into your restaurant for a cup of coffee. He thinks it's worth spending that amount of money in your restaurant. You give him a menu. You have a conversation with him. He enjoys the ambiance and the personality of the wait staff. He decides to come back for lunch.

You recommend more than just the salad. “Try a glass of wine. Try a cup of the soup. You don’t need a bowl — just a little cup. If you don’t like it, we won’t charge you. We’ve got a great, great special menu on weekends.”

All of a sudden, instead of coming in one time and being a static revenue source, he’s coming regularly with friends at least once a month for lunch. The concept of non-manipulatively programming somebody — that’s a constant, valuable tool in your strategy.

Again, one of the easiest approaches you have in my mind is to program your customers or clients. And all this requires, and it’s so simple, is when you initially transact the first purchase with that customer or client, program them to appreciate and want to keep buying that product or service on a continual basis. How do you do that? By doing nothing more than honestly sharing with them how much better off they will be if they keep using or replacing the product on a continual basis.

With most products or services, if people use them on an ongoing basis, their results, their outcome, their benefit, their protection is increased. If that is the case with your situation, make certain you don’t assume any customer or client know that.

If from the very first transaction you have your customers or clients fully educated to appreciate and desire your product or service on a continuous basis, three fourths of the job is done for you. They are going to be programmed to keep coming back. They’re going to be programmed to keep calling in. They’re going to be programmed to continually purchase and to be receptive when your sales people call or visit them.

Professional

A professional application is simple. If you are a doctor or you are an accountant, or you are a lawyer, you program your client or your patient from the beginning to appreciate the value of your services as being a continual part of their ongoing life.

Why would they want to do that? Because their financial well being, their security or their physical and mental health is going to be improved if they seek your services more frequently. And all you have to do is illustrate examples that apply to your specific profession when you’re explaining it.

But if you program these clients or patients in the very beginning to desire and appreciate why it's to their own best interest to deal with you continually, they'll do it. And they'll be inclined and predisposed to using your services more often.

If they're inclined to use your services one or two times more often a year, guess what? You've just increased your frequency of purchase by a substantial margin. That's only one approach you've got.

But if you want to use that approach, what do you have to do? Well, first you've got to sit down and you've got to recognize and be comfortable and be able to quickly and lucidly present the best, easiest, simplest to understand and appreciate case right at the moment of initial sale with that customer or client of why it's to their best interest long term to seek your services or product out on a continual basis.

Then you've got to get it to the point where it's a natural and automatic part of what you do and say every time you transact business for the first time with a new customer or client.

Then — this is the fun part — you've got to test different approaches and the way you say it or articulate it, or demonstrate it. And one of these is by taking them forward.

Future Pacing Takes the Customer Forward

I use a reference that's called "future pacing." A very powerful and very effective technique you can use in this situation is to take a customer or client forward to a point in the future when they're doing what you're suggesting, when they are availing themselves of your product or service on a continual basis, showing them how much better off their life or their business or their health will be.

But then you test because, as you learned in the early stages of this program, different approaches are going to produce different outcomes. Your goal first of all is to develop an approach that works. Once you've done that, you'll remember your goal is to produce the best approach, the superior approach, the optimal approach. All you do is figure out what has to be done and then you do it. Let's take another example.

You can run special events such as closed-door sales, limited pre-releases, preferred customer offers, closeouts etc. What do you have to do? What are the implications? First of all,

you've got to sit down and come up with a viable list of real events you can tie to real purchasing opportunities your customers or clients can get excited about.

Then you've got to think through what has to happen. In other words, are you going to offer products or services you currently sell? Or are you going to make special offers on products or services you've never sold in the past?

If they're products or services you currently sell, are they items you presently have available or do you have to do certain things to have them available for this purpose? In other words, do you have to order more raw goods? Do you have to bring in more help? Do you have to schedule your time differently?

Then, what has to happen to get people to come? What kind of an invitation or a communication must occur? Or what kind of multiple communications? Should it be a letter? Should it be a phone call? Should you put something in people's packages announcing it? Should you have your sales people do something? Or your receptionist? You've got to figure this all out, and then guess what? You got to do it.

But there are implications, easy but powerful implications, you must first recognize before you can act on. *Until you realize what the implications are, and then what you are comfortable and willing to do, you can't really determine what your true optimum business strategy will be.*

Now the final grid is where you begin to map out your own optimum business strategy. But before we get to that you have to ask yourself some pretty important questions, and the first one is obvious: What is it that I want most? Or you could ask it this way: What is it about my business or practice that gives me the most joy, the most fulfillment, and the most sense of purpose? And what is it about the practice or business that doesn't?

You want to get closer to those things that give you joy, fulfillment, satisfaction and a sense of purpose and you want to get away from those aspects that don't. It's quite obvious when you think about it, but most people never recognize these factors.

Do you program your customers from the very start to buy on a frequency and a quantity and a quality basis that will produce the greatest benefit or result for that customer? Or do you let the ill-informed customer make his or her own decisions?

In other words, if you know that if I buy your product or service every two weeks... and I buy a certain minimum quantity and a certain quality — my life or my business, depending on what the product or service is, can't help but be improved.

And if that's the case, do you actually establish from the very point of initial purchase the first time that my buying strategy as a customer should be to be buying every two weeks, and to be buying the highest quality, and to be buying the highest quantity I can afford because it's in my best interest and you've explained why?

If you program customers, they're going to have about ten times higher probability of buying more often and buying higher qualities and quantities than if you let them buy on their own. Does that make sense?

Let me give you a contextual dimensionalizing of programming.

Nutritional Supplement

Let's say I sold you vitamins or nutritional supplements, and going in I said, "What you've got to do is be taking all these vitamins and supplements daily. And you've got to commit to doing it for at least 180 days. Once you find that it makes a difference, you've got to continue doing it the rest of your life. That means you do not let a week go interrupted because you don't have adequate supplies.

"That's why I recommend you buy 60-day supplies, and that's why I recommend you sign up for our 'knock-knock' notification service, where 48 days from the time you buy we call you up and we gently remind you that it's a week before you're going to run out, and we give you two offers. Number one, we'll hold a package with your name on it at the store. Number two, we'll take your credit card information today and we'll just ship it out to you UPS.

"That way you'll never, never, ever, ever run out. That way you'll never interrupt feeling as great as you can, having the energy you want, sleeping like a baby, not being stressed out, having mental clarity at a level you've never enjoyed before, etc., etc."

When people start a buying relationship, you have an inordinate opportunity to ethically program them forever. People are coming to you for guidance, and if they favor you with their purchase it means they trust you. They look to you to have ability, expertise and integrity.

If you, at that point, show them the reasons why it's in their self-interest to come back and re-purchase your product or other services or other logical extensions, you normally will get many more turns per year or customer purchases.

And that can be incredibly impactful to growing your business. If we increase the number of customers by 10%, the unit of sale by 10% and the re-purchase frequency by 10% — what have you done for your business? If you increase any one, you grow linearly, but if you just increase all three categories by a mere 10%, you haven't grown 10%. You've grown over 33%, and that could be all the profit the business makes, so the profit could be massive.

If you grow each one of those categories more — you grow one 25%, one 18%, and one 22%, the cumulative effect is like an 80% increase in your gross sales. You've gone exponential. It's easier to be exponential than linear. It's easier to grow massively than it is to grow slowly.

Now, when I say “program,” I'm not talking about programming them like Jim Jones in Guyana. I'm talking about helping your customer or client gain for themselves a greater benefit, greater result, greater advantage out of the product or service you offer them by helping them develop a strategy, a long-term buying strategy that will make their purchases perform better for them.

With many products and services, not all, but most, it stands to reason that the greater the frequency of usage, the greater the level of benefit the customer receives. If that's the case with you, then you owe it to your customer or client to help them get better utilization of your product, because in the process of doing that you're helping them get a greater outcome, more benefit, greater advantage or protection because when they use it more often, they get a greater result.

I have a client who owns a health club. When new members join, he sits down with them and forms a long-term exercise strategy with them that is progressive. In other words, it starts wherever they are right now and focuses on what they want their short-term objective to be, whether it be losing weight, gaining strength, getting more toned, reducing their cholesterol, changing their body fat levels, etc.

But he doesn't stop there. He doesn't just give them a three-month intensive program. He takes them into the future. He shows them what they should be thinking about after they get that problem successfully overcome. He helps them formulate a long-term life strategy.

The key here is life because it's perpetual. He shows them what they should be doing for the next three months and the next. And he progresses them to more rigorous exercise and different objectives, tightening up their body, building up their muscles, improving their stamina, etc.

By installing in them a picture of what they should be doing on an ongoing or forever basis, these members are far more likely to stick with the regiment, to keep coming back, and to renew their membership each and every year.

In fact, my client enjoys three times the renewal rate of his industry because he does this. And his members tend to be far healthier, more fit and more attractive than the average health club member. So it's a win-win. Both you and your customer benefit from this process and it's not manipulative, it's benevolent. And they will appreciate and respect you for it.

Offer Products or Services On a Timetable

Your transactions with customers or clients don't have to be unpredictable, one-shot propositions. You can put your customers on a time plan and bring more value and benefit to them, more regularity to your own operations and more cash to your bottom line.

Example: A retail pet shop owner I know offers a time-plan grooming service to customers who own cats or dogs. The service is a discounted 12-month package, with 25% payment up-front. Under the plan, the shop owner gains a predictable stream of customer traffic and with each grooming visit, another chance to sell accessories and pet food to good customers!

The same dynamic will work in non-retail lines.

Dentists can offer a package of scheduled "family visits." Exterminators can sell periodic-inspection agreements. People marketing vitamins or nutritional supplements by mail can offer an automatic-restocking option.

Let your mind chew on this time-plan approach. Ask yourself, "How can we use timetable selling?" I predict that you will find an answer-and a profitable application.

Acquiring Qualified Lists

This concept of promiscuity in business is fascinating. I think you are all very promiscuous if you don't know exactly who your primary prospect is and you haven't identified a composite list of where those people are. You've got to have all the pieces of the puzzle. You have to know who your audience is specifically, and you have to know generically.

Know Your Target Market

If you don't know exactly who your prospects are... if you don't have their names, addresses, and phone numbers... or if it's a business, who the best buying influence is, and who the decision-makers are and how to reach them by letter, by call, or by visit — you're just blindly sort of sending your sales people out cold or dissipating your efforts on all kinds of diffused activities.

The mere process of honing in on your prospects will make every dollar, every day, every hour, and every action probably two or three more times effective.

The more clarified you are about where your customers are, the more targetable you can make your efforts, your time, and your expenses. Once you identify your customers, you can find out who has that kind of a list. Once you do that, you can be about ten times more profitable.

You should have a comprehensive list of every active customer by their buying patterns segmented. You should know where your greatest source of new business is. Where do your best prospects come from? Do you know exactly where your best source of prospective new customer is? It's almost embarrassing to think you wouldn't have that list acquired.

If you look through your customer list and see that one tenth of all of your customers are generating all of your business, and you analyze what key factors are represented, therein it would seem you would want to replicate that and know where more of those exact people lie.

Who already has a relationship or knowledge of my stereotypical primary customer or prospect? Which company, which business, which organization, or which government entity might have that available as public information? Who has my customer? Who knows the name and address, the phone number, and the location of my customers?

If you don't know how to do it; go to a broker, a publication, get a couple of college or high school students to assemble those lists by calling up cold, or ask other people who would sell to those people if they would give you the names on their list or at least tell you where they are. Use ingenuity — it's gold.

Today this is niche marketing. Today you have in your capacity to contact and know where all kinds of various people are. If you talk to people in direct mail they will tell you that *list selection* is more important than anything else.

Use list brokers, and use more than one. Ask the same questions of each one. Look for continuation in usage of any list you purchase. Most people will go and get a local list. They won't try and do anything that will give them an edge to success.

Most people, if you're business to business, can go to all kinds of different compiled lists. D & B has a list, and there are all kinds of trade magazines that can give you segments of their lists. You can go to magazines and see who advertises in them, or go to people who are not competitive and see if they would be willing to joint venture or rent you their list.

You can go to a well-stocked business library and look up a publication called the Standard Rate Data Service Mailing List Directory. It lists thirty or forty thousand lists by two categories — compiled and direct response.

Direct response is people or companies that bought something through direct response. That tells you they already have a prejudice towards the subject matter you're interested in. They describe the list, they tell you who owns it and the categories. Many of those lists you can get with telephone numbers and the right to telemarket.

Then there are compiled lists — all the people who own a Cadillac, all the people who live in million dollar houses, own boats, own motorcycles, or whatever you're trying to reach. You've got to be very careful, but you can see numbered descriptions, which tell you if they are buyers.

Look through one of these directories. Depending on the field of your endeavor and the market, it's pretty powerful. It also has a lot of subscription lists you can rent.

It's important that you don't just think of lists as something to mail. Lists tell you whom to call. Lists are useful to tell you exactly who to ask for when you visit somebody. Lists are useful to tell you all kinds of things companies are doing when you don't know what they are doing. Think of them as key sources and treasure chests of very specialized information.

The smaller lists are the ones you want to mail first. They will probably give you a surreal and unduly high yield that will give you capital to afford the more marginal lists. The trick is to mail the highest yielders first to fund the acquisition or break-even that will migrate your customers through all the back-end purchases.

One list may be 1,000 times better than another list primarily by whether or not the list is a list of buyers, as opposed to a list of people who have just been compiled. Virtually everyone will respond to the IRS. But if it's Time Life, I'm not sure if everyone will respond... and if it's unknown even less.

Newsletter

I once worked on a publication for CEOs and boards of directors. It was very expensive — a \$5,000 subscription price. People would say, "What a list you must have." It was true, except the list was in every directory of Fortune 500 officers.

There was nothing special about it except the affinity of the company that had established its reputation, so when something came in carrying its logo or address it had credibility. It had the attention of the recipient. You will see that in your mail. Having the data is only one part. You have to have the affinity of the list.

Any time you can get a list where people have extended themselves by some action, where people have called or written in, or done something by acknowledging somebody else's expertise or skill — that person is a cut above the norm and he or she is more likely to be responsive to the kind of offers you will make.

These are derived out of experience, not logic. All of our direct marketing knowledge is not logical... it's experiential. You just can't argue with it. Sometimes people can't tell you why it's true, they can just tell you that it is.

In the newsletter business, the biggest source of growing a newsletter is to go to someone else's list... maybe the only one.

Think of yourself. If you're from Nightingale-Conant, I'll bet you've bought other courses or attended other seminars, too. It's predictable. You're the most logical person to approach with similar programs.

I got you from media where the probability is that you have attended another seminar, or bought more than two business books in the last six months, or bought a tape course in the past year. We targeted you. If I hadn't I would have lost hundreds of thousands of dollars, or at the very best gotten a much lesser outcome ... there would have been three people in this room.

Your competition will have spent a lot of money qualifying their house list. They will have the best list next to your own. If you have a competitor who is going out of business, try to get his list. Go to your competition and ask how many dead leads they have and what they are doing with them.

Offer to trade lists with them. Their customers aren't buying from them and your customers aren't buying from you. By doing that you just doubled your potential markets.

You can target your customer if you know who he or she is very well. The more targeted your message the better.

When qualifying leads:

- 1) Look at basic needs, match products with what they can use. What do you currently use? What do you like best about it? What would you like to change? What would you like to have it do better?
- 2) Identify the key decision maker. \$60,000 question: If anyone at your company could say "no," who is it?
- 3) Budget or resources. Not only money, also time, and energy what are people willing to commit;
- 4) Time frame, sense of urgency, based on knowing their needs and what is motivating them to action;

- 5) Miller Heiman Strategic Selling. Be careful of creating a win-lose which can become a “lose” — lose if you just sell it to book the order. Mismatch of value systems, realize we can’t provide the best quality service at the lowest price.

EXAMPLES

I’ll tell you Gary Halbert’s story because it’s appropriate.

There’s a gentleman I used to do some programs with and he’s really a wild, bright guy named Gary Halbert. He’s an inspired copywriter. He told a story one time, which I think has a lot of clarity. None of this is hard — it’s just logic you have never given yourself permission to do.

He was doing a program with me once and he said, “Let’s talk about advantages. Do this exercise. Let’s both open up a restaurant and you compete with me. Open it anywhere you want, anywhere in this country you want. I’m going to give you one shot at advantage. You get to choose your advantage first. “

He went around the room and someone said, “I want the only McDonalds in Los Angeles.” Someone else said, “I want to have the only skinless chicken restaurant.” Everyone wanted the only this or that. He said, “Fine, you can have it.” He only wanted one thing for his restaurant... a starving crowd.

List selection is really important. Why try to sell to someone who just gorged themselves on a twenty-course meal or somebody who is basically macrobiotic when you are selling cholesterol-riddled meat... if you can find someone who is the greatest carnivore in creativity and they are insatiable. If you’ve got a bunch of people who are insatiable about something and you know who they are, or you just don’t have enough of them identified, then identify them.

Let me give you another example.

My son used to work for a copier company. He had as his territory 20,000 in a segment of Southern California. All day long he would go knock on doors. He was doing OK, and was making a nice living.

He asked me for fatherly advice. I said, “Son, quite frankly from my vantage point you’re not getting great leverage on yourself. “ He said, “What do you mean?” I asked, “Can Canon tell

you the top five or ten types of generic businesses or industries or business situations that are most likely to be the highest buyers of copiers?”

He said, “I’m sure they could. “ I said, “Why don’t you have them do that? Then have them acquire a list of every business by generic type in your geography. Then why don’t you overload them and pick out the ones that have a 90% probability first.” He thought that was a profound concept. He started working less and selling many times more.

You only have a finite amount of time. Why limit the time or the effort you spend if you could concentrate all of your attention on people who want to buy.

Let’s look at some examples from my clients of how they’ve used targeting and lists:

Engine Fasteners Wholesale

There is a considerable group of publications that cater to the automotive industry. We can go to a large selection of these magazines to sell product or to generate leads. In our case, by coding all of our ads and doing systematic testing, we were able to qualify which publications were able to generate all of the clients and sales.

With the mailing lists we use we can quantify specifically by make and model, income levels, and everything else — so we can do very accurate targeting. In our case, our product is targeted to the German car market.

When we first started doing this we purchased two different lists. One pulled 1.2% with a really poor offer and the other pulled .08%. The price point was \$130. It was the difference between making a profit and not making a profit.

Marketing Consulting for Chiropractors

We had chiropractors who were just doing mailings to their neighborhoods, or ad-vos, or things like that, and the results were pretty poor. We found out we could acquire lists of people who had recently been in car accidents.

We did a mailing and the response ratio was close to 12% to 15%. The lead source was a fairly high cost lead source, but it didn’t matter. A personal injury case is worth about \$2,000.

Marketing

We market to buyers of health products and health publications. We commonly pull 4%–5% on our offer. We are working on 30 to 40 lists all of the time.

Dispenser Equipment

We got a list of the names of the presidents of the independent corrugators, and we sent out a letter with a brochure and a video. As a result of that, we picked up 20 sales of the equipment. The equipment brought in \$15 million long-term business because they are now tied into this equipment.

International Travel

I felt AAA would have my client lists. I asked them to endorse me. They said yes, if I would give them a special rate. Now I have 1,000 travel agencies endorsing me and asking their members if they would like me to get their passport for them. Every single day we get packages from all over the country.

Pharmacy

I use qualified lists in my business. I searched my computer for all diabetics who came into my pharmacy. I put together a handbook about choosing a glucometer. I mailed it out to them as a free gift. I made a little offer in the end, and it was very successful.

Lodging

We ran into a research firm that researches only the lodging industry. They have about 15 clients. They met with us at Christmas. They were able to give me the number of hotels, the number of rooms, when the amenities programs were going to change, etc. They call the 20,000 top hotels and get the information from various employees. They are constantly making calls for many different vendors.

Expense Reduction Consultant

I don't need hundreds or thousands of clients. I did it the hard way — went to the library, pulled out the directory and looked them up by zip code and SIC code. I did a mailing and got going with that. I manually entered it into my computer and did a mail merge. It has produced close to \$56,000 in business.

Chiropractor Referral Service

I bought a \$49 CD-ROM called “PhoneDisc” that has 9 million businesses on it. PhoneDisc has the phone directory of the United States sorted by category. It will produce a comma list you can merge into your database. I was able to search for chiropractors and extract the five hundred chiropractors in area code 818 and it printed out the mailing labels for me.

Retail

A huge competitor of mine just went out of business and I negotiated for his list.

Insurance

We start with a list of consumers who live in single-family dwellings with estimated incomes between \$25K to \$35K. One of the things an insurance agent likes to have is a daytime interview, so we used people between the ages of 60 and 80. Approximately one-fourth of the marketplace will fit those demographics. We’re asking for some fairly large ticket items. A small sale is \$1K; a big sale is \$50K.

We found that it made our leads more expensive, but we integrated a couple of questions. The key one was, “Do you still have to pay income taxes even though you are retired?” If the answer to that is yes, then tax-deferred investments have some attraction to them.

If they weren’t we told them the information was on the way in the mail. If they were, then we told them the information was in the mail, but that their situation was unique and we would make arrangements to have someone stop and see them about one o’clock the next day and have them review their specific situation. That’s been a key in raising the average sale per call.

Retail Sales

We did a test. We used to take the names of people from any show we had exhibited at — just anybody who asked to be put on our mailing list. When we mailed them the response was less than 1%. Then we took the names of people who bought from us at shows. When we mailed to this list the response rate was 40% to 50%.

Natural Health Practice

I did a talk on spinal health care for a very specialized group. They were all interested in health, so they were already qualified.

At the end of the talk I said that whoever turned up with a brochure I handed out would be entitled to a free consultation where they would get a free spinal check up, a free nutritional evaluation of their status and a booklet that would describe a lifelong diet program which they would never get access to otherwise and if they followed it, it would probably cut down their medical bills by about 90%.

There were about 200 people and about 20% of them signed up. What it amounted to was a month's worth of new clients, just like that from one night's work.

Car Sales

We sent a letter saying, "We know you've been enjoying your Lexus for the last three years, but we'd like to let you know that it's an optimum time to be looking at trading it in because the new models are in and they're really stupendous, and we'd like you to come in for a test drive. The advances in these new cars are great.

You have a wonderful, very negotiable car and at this point, the trade-in value is the highest it will ever be." Or say, "Let's work out a strategy together. Every 18 months or 26,000 miles, whichever comes first, we're going to shoot to trade up, because that's when you get the highest resale value." Or whatever ... just help people. They really appreciate it when you're not manipulating them.

Commercial Sales

Try and get a blanket purchase order to make sure their shipments can be delivered in a timely fashion without getting bogged down in paperwork.

Hair Stylist

You can schedule an appointment for the next year and give them a preferential program. You can readjust, but the main point is to lock them in. Let them know we're working together towards a common goal

Real Estate

It's a condition for doing business. The day we list the seller's home, we give them five to seven envelopes and let them know that from the day they list it to the day they close it, part of their biggest responsibility is to make sure they refer other people to the Realtor, and that's a condition of doing business with them.

People want to do it; they just don't know they're supposed to do it. The reason they do it is so I don't have to spend time, energy and money looking for clients; I can spend more time, effort and energy getting your transaction closed That's my number one priority.

Cold calling, mass marketing, and lots of advertising is sometimes a way of not being in a relationship with people, distancing yourself from people, but once you've secured a client, they trust you more than you trust them.

And my experience has been, when they go into a relationship with you, and you communicate and program them and you explain all of the reasons why, the whole method to your madness behind your business, they want to create a lifetime relationship with you. But nobody else is asking them to do that. So, your biggest barrier is to be intimate and vulnerable.

Vulnerability is coming back again and again, calling them again, talking to them, and they are going to see your flaws. You're going to call them when they may not be happy with you.

We encourage the Realtors to call them every day during the last ten days of a transaction, because that's when they need you most, emotionally, and that's when the client is going to rip you apart ... they are going to scream at you, and your job is to be there for them ... that's what you're paid to do.

You get paid your commission to do the transaction. You get referrals for taking the heat and caring and really fulfilling your promises and respecting them and telling them you respect them.

Racehorse Blood Testing

We started doing monthly racehorse blood testing to optimize the nutritional needs of the horses. We analyze all of the results in the computer and get a complete picture of what the horses are being fed.

We set them into an ongoing program of analysis and filling in the gaps of what they were doing to bring them up to the ideal. The horse owners are getting much higher prices for their yearlings at the yearling sales, and the program has now become the industry standard.

Vendor Wholesale Refill Program

Instead of bulk buying, we show up and replace what's been used, and they end up with the appropriate stocking levels. This works well and leaves us in total control.

Direct Mail & Acquiring Qualified Lists / Naturopathic Doctor — Herbal Products

Dr. Marijah McCain purchased a list of 18,500 names of massage therapists to offer them a Naturopathic Program. She chose to target them because they would be exempt from some of the courses needed (due to already completing the necessary course work).

She mailed a first class postcard, which told them briefly about the program and also offered them a free lifetime membership if they responded within sixty days. The results: 2,500 requests back for memberships, 700 of those purchased (average sale \$100) total \$70,000, 80 enrolled in the program (\$2,000 per program) total \$160,000, plus back-end sales that aren't included in these figures. In addition, several wholesale accounts (who purchase on a monthly basis) were also obtained.

Ways To Create Irresistible Offers

1. Bonuses
2. Extended guarantee
3. Free Samples
4. Contests — winner gets something related to product/service
5. Recorded Message Infoline — Postcard mailer/Classified/Tickler Ads
6. Better-Than-Risk-Free guarantee
7. Treasure chest promotion (pharmacist)
8. Private sales — postcards, personal letters, and telemarketing
9. Free report/audiocassette/consultation, etc.

10. Packaged services — combine base product w/ancillary products /services
11. Preferred customer club — annual fee entitles special deals, etc.
12. Offer — Local Offers Free To Anybody Considering
13. High-end bonuses — Free \$5000 golf club membership/Free week Rolls Royce rental, etc.
14. Puppy dog close — free trial (high ticket items)
15. Charity cross-promotions: You give X (dollars, goods) to charity — I'll give you Y (great deal, discount, free merchandise, etc.)
16. Fundraiser — sell tickets with my offer, which raises perceived value of ticket/event (50% off on sandwich, etc.)
17. Distributors — include ad allowance in pricing — for every 100 units you buy you get \$4000 in advertising
18. Organizations — one free for every x# that sign up from that organization (like tour organizers)
19. Send 1st segment of bonus free (“Send rest when you buy your 1st X from me.”)
20. I'll buy your first X if you'll Y (come to workshop to learn how to use it), commit for Z months if the system works, etc.
21. Service contracts — extended time period — give bonuses for longer times (higher perceived value)
22. Find an expert in area relevant to your clients/prospects — tape them and give info product as bonus (like HCP w/TLC)
23. Info product to distributors/hosts to give away as premium

24. Report (sell for \$3-\$20) — self-liquidating for lead generation
25. Let charity sell product and keep 100% of gross — exchange for names.
26. Send samples of what you're selling to selected individuals — known names in your field/other typical prospects — include response device — follow up by phone
27. One month free (chiropractic care) (Professional) (3 month free, etc.).
28. Special offer only to friends/acquaintances of current customers.
29. Exchange for fee — client sends glowing testimonials to peers/customer list — get names for follow-up.
30. For referrals — \$500 bonus coupon.
31. Miscellaneous free offers
 - Brochure
 - Booklet
 - Catalog
 - Resource guide
 - Newsletter
 - Information kit
 - Invitation to seminar/talk
 - Program information
 - Trial use of product

- Product sample
- Gift certificate
- Coupon
- Consultation
- Survey
- Phone call
- Analysis
- Estimate
- Problem evaluation
- Product demonstration
- Audiocassette
- Video cassette
- Gift
- Sample issue
- Information if requested on corporate letterhead information to qualified buyers only

Chapter Three: POS, Cross-Sell, Up-Sell

Point of Sale Promotions, Up-Sell and Cross-Sell

In my work in dozens of industries — and in thousands of individual firms — I have encountered very few business owners who offer every customer a better deal at the point of sale.

Marketing people call that “upselling,” or “a bump.” At the moment when a customer becomes truly serious about buying something, you let them know that if they prefer, they can have a larger quantity at a special price, or a special combination of products, a full season, or full year of service at a discount.

Cross sell is taking them to other products or services that in combination, will give them a greater, richer, happier and more protected outcome.

The Strategy of Up-Sell, Cross-Sell is Based on Preeminence and Optimization

The strategy of up sell, cross sell is grounded, founded and based on two tandem factors. The first is the strategy of preeminence. And the second is optimization.

Let’s take the strategy of preeminence because it’s the most benevolent and then let’s take optimization because it tends to be more strategic.

The concept of optimization says you want the highest and best use of your time, your opportunity, your effort, etc. It says maximum yield for minimum time, effort and risk. It costs you a fortune to acquire a client. At the point of sale, it costs you almost nothing in time. No extra time. No extra effort.

Just a shifting of what you say, how you say it and the direction or the authoritative leadership role that you take and the risk reversal or the vision that you paint in the selling process.

But at the point of sale, when they already have their trust, because you deserve it, when you already have established that they have need or an objective that they want to fill, when you've already spent the time and effort and the expense of finding them, of graduating them from prospect to purchasing status, adding more to the transaction that will help them get a better, richer, happier, more enduring outcome is normally a very easy process. The incremental cost of doing it is zero.

The impact to their life is normally going to be geometric or exponential or you wouldn't recommend it. The impact to your bottom line is equivalent. ***Any products or services you add to the transaction at the point of sale, incrementally, are windfall profits.*** It doesn't matter what price you sell it for.

It doesn't matter what margin you make. As long as it's a product that's easily replaceable and is accessible for you and can be added to the transaction relatively simply, it's all incremental profit. So if tomorrow morning you had a \$1000 sale that you normally made 40% on and you added two more products to it, at full rate, great.

At half rate, as long as there's any profit, that's just going to add to the transaction.

But what you have to keep your eye on are two things. First, what's in their best interest. Normally, it's not what people on their own normally buy because people, god bless them, left to their own devices are not optimizers. They don't the best product, the best combination, the best quantity, quality, package and combination. Your job is to make sure that happens.

That's where cross selling and up selling come into being. A lot of times somebody, if you look at human nature and you research and you think in your own life, how many times have you bought something, equivocated, procrastinated or declined an opportunity at the purchase point to add something only to go home and think, Damn!

I wish I had the bigger tires or the chrome wheels or the twenty-speaker stereo or put the after market sun roof in. Or the this or the that. And not done it because it was a transacted sale.

Well, you've got to realize that at the point of sale, *you have an obligation, a responsibility, a moral obligation* to do everything in your power to see to it that the maximum number of people end up with the best outcome they can, meaning they make the best purchase they can, meaning not the cheapest of the smallest but the maximum. And that's up sell.

There's one other word. Post sell.

And that is realizing that if, by up selling and cross selling you help 40%-60% of the people increase their outcome, translated, it means that you'll get 40%-60% of the people to add more to the transaction, that half-again of those people go home and reflect on it and will regretfully wish they had done that. This is just a statistical truth.

So you ought to do post sell for their benefit, not yours. Meaning you call on them either by phone, in person or by letter and reiterate and say, I know that there's a high probability that after you got home, you wish that you had done that and you felt like the opportunity was gone, you couldn't do it.

Well, I'm here to tell you it still can be done. We can pick up your car and we can put the sunroof in and we'll give you a loaner. You can do it one day. We'll work it out or we could do it onsite for you. Or I'm still going to offer that and we can still take back within a week, that coffee cup and give you the monogram ones you want. And we'll give you full credit, you will find that about a third of those people will do it. So there's the strategy.

As a technique, up-selling is easy to do in any kind of business or profession. A dentist can use the technique just as easily as a car dealer can. And if you use up-selling, it could double your profits in a very short time. You might do much better than that, in fact. Up-selling is the simplest, fastest way I know to increase the size and profit of an individual sale.

Here's a case in point: A gourmet takeout in New York changed its schedule so that its employees could "upsell" take-out luncheons and dinners at the same time customers were picking up their breakfasts.

The result (and I quote from a letter) was "drastically increased sales." Did you notice that wording? Sales rose "*drastically*." And notice that it took nothing more than a person at the counter saying, "Would you like our special lunch today, in addition to breakfast?"

Talk about a surefire, no-brainer prescription for success!

Up-Selling Should Be at the Top of Your List

Upselling should be at the top of the things-to-do list in any business or professional operation.

A sales clerk in a store can easily upsell customers after they have agreed to buy something but haven't yet paid for it. And a telemarketer can upgrade a sale with the same very modest amount of effort.

Perhaps you can combine the item being purchased with a related item for a larger sale, like a camera carrying case with a camera.

This is what I want you to do:

If you aren't using the upsell technique now, figure out two or three things that you could offer your customers, clients or patients as an upsell option, and write them down.

Once you've done that and reflected on the possibilities, start using upselling on a limited basis, just to test the waters. You might, for example, pick out just three of your best customers and give them an upsell option the next time you talk with them on the phone, or the next time they're in your shop or office.

I predict that the "test" results will inspire you to expand your use of upselling! I also predict that you'll gain an important edge on your competitors — if they're not using upsells.

My only caveat: Make sure that the product or service you upsell is something with solid, perceived value. If it lacks that, your customers might think you're trying to unload an overstocked item on them, or (if you're a professional) trying to get them to buy something they don't really need.

That, of course, is an impression you *don't* want to leave.

Almost no one upsells. And yet it's probably the easiest, most predictably effective way to increase the size and profit of a sale. Yet upselling can be used by virtually any kind of business.

Car dealers are masters at upselling. After they've sold you the car, they add on insurance, financing, rustproofing and permanent acrylic wax coating. This normally adds \$500 to \$1,000 in additional profit to the dealer's bottom line.

Telephone order departments can easily upsell by offering everyone calling in a better deal, or a larger quantity, or a "special" on a related or companion item that is specially priced if you buy it when ordering something else.

Sales clerks in retail stores can easily upsell after customers have settled on their purchase, but before they have-paid for it. Give them a product or selection of products to offer the customer at an appealing discount or package price, if they've already agreed to purchase a certain minimum dollar amount.

Then, if they order \$50 of merchandise, your clerks are authorized to offer them up to three of something else normally selling for X at 20-50% off, or three for the price of two — but this deal is only available to them as an immediate add-on sale now.

Any Business Can Up-sell

As long as the add-on is a legitimate value with definite appeal and high perceived value, and as long as the offer is alluring, you can apply the add-on/upsell technique to any business.

One thing is terribly important though: be certain you develop a compelling, believable reason why you are offering the add-on or upsell so the offer has credibility.

How much can the add-on or upsell technique add to your bottom line? That depends.

For a car dealer, the add-on could equal or exceed the profit from the sale of the car. It can double his profit.

For the retailer, if every time someone buys \$50 worth of merchandise they're offered the chance to buy \$50 of something else for \$35, and he or she upsells one out of three people and has added \$5 in net profit to every \$50 sale normally made (\$15 in profit divided by three).

With a wholesale distributor, if someone buys \$1,000 of “X” product and you offer them the chance to buy \$500 of “Y” product for only \$375, you only make \$75 more. But if one out of every five customers takes you up on the offer, you’ve just added \$15 more profit to every sale.

The dynamics of the add-on concept can work anywhere. But you can make the add-on or upsell much bigger than the original purchase, too.

For example, you are a pest control operator. Someone calls you to exterminate their ants, rats, mice, or whatever. Let’s say the normal service fee is \$100. After doing the job (but before getting the check from the customer), offer him an annual (four times minimum) service contract, regularly \$400 (\$100 x 4 times) for just \$250 if they pay right now. The \$100 they already owe you is applied to the \$250 price.

As many as one out of three people offered this “bump-up” or “upsell” will accept. Remember, they’ve just had a problem — otherwise they wouldn’t have you out there right now. And, since most customers only call again when the problem gets really bad, by “locking” the customer into an annual commitment, you get them “habitualized” to the prospects of being billed every year for \$250. What’s all that worth to you?

A lot. See for yourself.

Up-Selling Produces Exponential Returns

Before “upselling,” 100 people paid you \$100 apiece -- \$100,00 total -- and maybe a few would call you back in a year or so for another \$100 “one-shot” call.

After upselling, 30 people pay you \$100 (\$3,000) and 70 people pay you \$250 (\$17,500), so the same 100 people are worth \$25,000 to you immediately, instead of \$3,000. A seven-fold increase.

Plus, at least half will pay the \$250 every year. Conservatively estimating, that’s worth \$8,750 a year for years.

If you did this on every call, you could not only instantly increase your business by several times, but also lock in tens or hundreds or thousands of dependable profits for next year, the year after... and forever.

The same basic strategy can be used by virtually all kinds of businesses.

A retailer can offer every customer a free quarterly wardrobe consultation — worth \$65 — with a purchase of \$50 or more. Have the consultation take place at your store. It guarantees two things:

1. A higher than normal average sale (most people will spend the extra dollars to get the valuable bonus); and
2. You're "locking" the customer to a commitment to come back to your store four times minimum over the next 12 months, with a mental predisposition towards improving and streamlining their wardrobe.

Apply the basic concept of annualizing or quarterly review consulting to virtually any business. Let your imagination run wild. It will lock in customers for life. Also, it will instantly increase your average sale.

Up-selling Refers to Any Additional Sales Activity You Do at the Point of Sale

Upselling refers to any activity you do, literally, at the point a sale is being transacted that is designed to improve the result. That can mean a greater size purchase. You know this one - McDonald's or Burger King super-sizing your order. It can also mean a more complete purchase: "Do you want a combo meal?"

It can be an impulse purchase, such as Lotto tickets. It could be an avaricious purchase: the infamous "Blue Light Special" at K-Mart. It can be a "today only" -- a science for the car dealer, the 24-hour sale, or an extra \$500 off on your purchase if you add a stereo.

It can be an offer that you make today only at a trade show. It can be an offer that is made in a seminar today only...or for the next fifteen minutes...or up until 4:00 today. You can have this \$5,000 item for \$3,500, but you can also have payments -- plus we'll throw in another course.

It can be a point of purchase: "If you buy in the next sixty seconds of our infomercial, we'll throw in an extra set of knives, or an extra sharpener, or an extra knife caddy." It can be an

inducement for a first-time sale where a salesman says, “Today only, if you’re a first-time purchaser, not only do you get this fifty-five gallon drum of solvent, but you get a free pump, a free drum opener, a free “this...” but it’s only on the first time purchase.”

It can be, for a car dealer, a first time buyer who’s young: “Because you’ve never bought before, and it’s the first time you’ve ever purchased a General Motors car, you qualify for a special \$2,000, “first time purchaser under twenty-five” financing.”

If you’re in a check out line, it’s an impulse item like gum. It can be passive. It can be active. It can be proactive. It can be automatic.

At Best Buy, it can be when they say to you, “For \$25 more, for \$5 more, for 3% more, you can have a three-year warranty.”

It’s the automobile point of purchase. All the profit in a car dealership is made after the car is purchased --- on the financing, on the accessories, on the warranty, on the F&I.

Let me differentiate between point of sale, and up-selling and cross-selling. The point of sale, or point of purchase, is always a device to increase the size of the sale. It is a sort of “bridge” that allows you to do either/or -- or both. It’s a rationale that takes advantage of the previous position.

Say you’ve already committed yourself emotionally, financially, transactionally to purchasing this bottle of water. If I say, “For a quarter more you can have unlimited refills of that bottle, and for \$1.00 more you can have them for everybody at this table.

So it’s like for \$.50 you get this glass... for \$2.00 you get unlimited for as long as we’re here, everybody, and you’re probably going to spend \$5.00 if you’re really thirsty, so it’s a better deal.”

You Can Employ Up-selling Anywhere, Anytime in the Sales Process

Upselling has application anywhere, any time anything is purchased. And it doesn’t have to be in any one way. It could be done with a human being in front of you. It could be done on the phone. It could be done passively, in print (and it often is.)

As an interesting aside, and without being plagiarist, I would paraphrase Cialdini: When a retailer doubles the price, they can triple or quadruple the sales. Most people think their whole business has to be a commodity, and as a commodity that it's price sensitive and highly consumer aware.

And most people are very, very, very price aware on certain basic commodities. Mini-marts are very price competitive on bread, milk and cigarettes. Everything else sold at a premium because nobody cares. I don't know if I'm paying \$1.60 for a Coke or \$1.05 – and, frankly, if I'm thirsty I'm not going to quibble over \$.50. But for \$.50, times two Cokes, times 500 people a day – that's very good.

A lot of times we psych ourselves out thinking 100% of our prices have to be only 10% or 13% across the board. That could be our USP -- but it doesn't have to be.

And you can test. Give yourself permission to, while charging enough margin to justify staying in business, invest more value, more benefit, and more contribution back to your client. Many times we price things too low.

I've seen software priced so low that it had the price perception of something far inferior. I'm working with a client right now that everyone they're competing against sells their stuff for \$150,000. Yet they're trying to sell theirs for \$5,000. There's a big reality gap. And sometimes it's actually *harder* to sell things if they're priced too low.

I realized that I was able to sell more people to my seminars at \$5,000 than most people can get to a \$95 seminar. That's because I was able to raise the price, but even greater, raise the *value perception*. And I think there's a correlation.

Sometimes that's not necessarily true. Sometimes you don't even have to worry about it. It's not an either/or. It's a case-by-case situation. Why does it work? You're more fixated on your margins than your market is, by and large.

And, again, there is a very fanatical segment of consumerism that is very margin-price-aware on certain key commodity items...but not on every one. They don't care and they're never going to know.

Please understand -- I'm not advocating your being manipulative. It's just that you may be forced to make 10% on a certain highly popular commodity, but there's no gun to your head to make 10% across the board on *everything*.

There is a gun to your head that says if you don't make enough aggregate margin from your business to allow you to keep a distinctive, differentiated advantage, supreme service contribution, adequate enough compensation to your vendors, your team members and your family, both in your financial compensation and your psyche -- you won't stay in business anyway.

Packaging Complementary Products Together

OK, here's another strategy: Packaging complementary products and services together. What is it? It's a concept of doing three things.

First and foremost, it stems and emanates foundationally from the Strategy of Preeminence. That strategy says, in short, that you have a moral obligation never to allow your client to receive a suboptimal, an inadequate, an inferior, a compromised result or outcome.

And the assumption is that you're more of an expert in your field and its related areas than they are. If you're not, you should become one -- or reconsider the business you're in.

If you are, you should go to the effort of trying to simplify and maximize the purchasing process for them. If that means you put together all the parts -- then you do it. Why sell the nut if they've got to go somewhere else to buy the screw and the bolt?

Make it easy. If you know they need a power tool to adjust the nut, screw and bolt, put that together. And when they're done with *that*, there's some kind of sealant they put on the end, like a glue...

Think about it. If you can do that for them and it's close to competitive -- not even 100% price competitive, but close -- they love it. It saves them the problem of negotiation...they have one single source to come to...and you've already got their trust. Packaging is a service.

Secondly, it can far more than increase your profits incrementally. In other words, if you add three items to the transaction -- more products or services -- and your normal margins are 10%...you don't look at it in terms of margins. You look at it as incremental profit, which can triple or quadruple your profit because you have the same cost for the single transaction.

There's no law that says you have to own or inventory the additional product or provide the additional service. All you have to do is have functional control -- which means you've worked out a deal with the provider, the creator, the producer, the renderer, the service provider...where you have an exclusive.

They can't go around you. They will honor it. They won't breach. They will non-compete and they will render the service as if they bought it through you in a timely and a professional way, and render value as promised. It has transformed the success of lots of companies.

Computer Software

It used to be that when you bought a computer, you'd buy each piece of software. Or you'd buy a car, and all the accessories would be added after market. Now they package it all and they get an extra \$4,000 a car. A car dealer never sells a stripped down car anymore. And the joke's on the consumer. Dealers want so much over cost. Consumers don't realize that it's incremental. But the dealer knows....

Let's say you get a car at \$1,000 over cost. There's all kinds of rebates, but the dealer will spec into them all kinds of items, and they will sometimes even put post-items in the package, too. They'll look at the car fully loaded, and then they'll put spectacular wheels on it that are worth \$4,000 and display it in the showroom with all kinds of other tricked out additions. You can have them taken off...but will you?

Retailer

Retailers will put clothes together on a mannequin so you'll buy them in a package because you (supposedly) don't have creativity. And retail manufacturers will recommend packages that you stock on their shelves. Quantities, qualities, combinations.

Sporting Goods

Sporting goods stores will package a complete rod, reel, etc. package, turnkey, for beginners.

Radio

In industrial radio time, radio advertising is packaged in drive time, midday, and “lousy.” And they’ll throw bonus stuff in there for you to give away to your employees for good performance, and offers you can make if you’re a retailer to your consumers for visiting or registering. They turnkey the whole package and get maybe three or four times what they would if they normally sold just the time.

Cosmetic Retailer

Cosmetic retailers do the same thing with “Gifts with purchase.”

Fast Food

Again, at McDonald’s, all you have to say is “I’d like a #1, or a #3.” Otherwise, you’d have to say you want a hamburger, you want the Coke, you want the fries, and in what size...and you may not make the most profitable – and most the expensive – choices.

Internet Service

You can now get your DSL, your phone service and a cell phone all for a flat rate. Most movie theaters will give you a package with a ticket, popcorn and a Coke.

Theme Park

At Disneyland or Disney World, you used to buy “A, B, C, D and E” tickets. Now everything’s included for your admission price. It’s a whole package. And you can buy a different package where you get the hotel, along with breakfast at Disneyland.

Resort

All-inclusive resorts. Cruises. Golf course fees...

It used to be that you bought many maintenance agreements on an “as needed” basis. Now they’re packaged agreements. Industrial services. Pest control. Pool services. Landscaping...

Chiropractor

Chiropractors offer a maintenance package, a whole package where you buy unlimited service for a given period.

Farmer

Even chicken farmers! They used to buy the chickens, they bought the feed, they sold the chickens. Now, they just leave the henhouse open and somebody delivers everything. The farmers get paid \$.04 a pound for raising them.

Banking - Home Finance

Home financing --- appraisal, credit check -- all that stuff is sold as a package.

Travel

Travel packages, where you get a car, hotel, air... Virtually all ski lodges have packages where you get the lodge, you a ski ticket... At upscale resorts, you get packages with massage, a breakfast, a “this,” or a “that.” You get the idea.

Larger Units of Purchase

Now, let's move on to another type of upsell – selling larger units of purchase. Costco, Sam's Club and other “warehouse” retailers are the perfect example – and even some regular grocery stores now feature a “bulk” section.

If your company – or family, for that matter – buys multiple cars it can get “fleet” rates. Tennis pros sell multiple lessons in packages.

You get frequent flyer miles that reward you for using services more. You can prebuy certificates for nearly anything -- food credits, travel certificates...

Phone cards. Consulting. Carpet cleaning. Health clubs with their family plans. Multiple cable TV outlets for the same home. CD or DVD collections, like “The Beatles Anthology,” or the first year of “Sex in the City” or “The Sopranos.”

And it's a good deal per disk, but you're buying eight of them instead of only the one you may have bought otherwise.

CD blanks are sold in packs of fifty or a hundred. For the average, private computer user, the odds of making a hundred at once are pretty low, aren't they? Same with office supplies – staples, or Post-Its. (The odds are I'll lose them and go and buy more before I use them!)

The logic behind this type of packaged selling is twofold: 1.) To do it right, you establish the probability of usage, need, or increased, enhanced experience or benefit for increase, or more people availing themselves of it. You show the consumer that it is highly probable that he will need X amount. And if you buy as your need occurs, it could cost two or three times as much.

Or, 2.) you show the consumer what he loses on possible interrupted service or interrupted experience. You take advantage of part logic, part emotion, and the convenience of the package being all put together for you. They don't have to think about it. It's all done for them.

Let's recap. Up selling, cross selling and point of sale are the activities, processes, or approaches which, at the point somebody has made a singular purchase, you introduce, advise, recommend, demonstrate... and you then offer the consumer an additional product(s) and/or service(s) which, when added to the transaction, increases the result, the outcome, the convenience, ease, the prestige, the protection or all of the above.

It is seen by the client, absolutely, as a service. It is seen by the client as an absolute benefit. It does not necessarily have to be done at any price advantage, although usually -- but not always -- you should test it.

It will be successful if you package and advantageously price it. It is a scientific fact that, if done right, anywhere from 30% to 80% of consumers will avail themselves of all or most of the up-sell or cross-sell offer... if it presented logically and articulated powerfully.

These techniques are some of the most neglected, yet predictably effective techniques you can use to instantly improve the average value of every sales transaction. Experiment. The results will amaze you.

Don't Be Afraid of the Bump

Don't be afraid to use what we call the "upsell," or the "bump."

Statistically and clinically speaking, at the point of purchase, if you will but offer your customer before they leave, or before they walk out, or before they take delivery, or before they sign the final purchase documents – the chance to acquire a larger unit of purchase... or a more expansive combination of products and services that go together... or the chance to reacquire the

purchased product on a continuous basis for a more advantageous arrangement until they say “stop”...

...Maybe not even a lower price relative to the units, but more benefits, more service, more delivery, something else that adds value to it. Just by offering a greater inducement to 100% of the people, a low of 30% to a high of 60% will probably say “yes”...

That percentage can make all the difference in increasing your profit, because if 40% of the people say “yes” not to the normal sale they were going to make, (let’s say it was \$100) but to an increased unit of sale of \$170... even though the \$70 may be not as profitable as the first \$100, that additional \$70 is all found money that goes to your bottom line, whatever the profit margins are.

That difference can make the difference between struggling, between losing ground, between being in the red and being solidly in the black.

If you offer every customer you sell a better or added deal right at the point of sale – like a larger quantity at an advantageous price... or a package of items or services in addition to the one the customer is buying – 30% to 40% of the customers you offer it to will say “yes.”

Sell, then sell again. Surprisingly, if you contact 100% of your customers within 10 to 20 days after buying their initial purchase, 10% to 25% will buy something else from you on the spot. Just do it as a regular follow-up aspect of your business.

Add Value When You Up-Sell and Cross-Sell

The first way to add value and help your customers achieve their desired outcome is to expand the quality or quantity of what you’re selling them. If you know they’d really be happier with a more advanced product or service, it’s your responsibility to sell them up to the higher level.

Likewise, if the purchase they intend to make will be incomplete without complementary products or services, you owe it to them (and yourself!) to cross sell whatever additional items they need to make your basic product or service better, stronger, more effective.

For example, suppose you were selling somebody a quality television. You know this TV has the capacity to really give the buyer an extraordinary viewing and entertainment experience.

However, it was designed to perform best with surround sound speakers. And if it had surround sound speakers, it would actually be a much more exhilarating and dimensional experience. But the speakers are optional because you can have a whole spectrum of different sizes and configurations.

If you sold the TV by itself and didn't do everything in your power to encourage the customer to strongly consider adding surround sound speakers to it, the customer would receive a lessened or a substandard result. You would be doing the customer and yourself a genuine disservice.

On the other hand, if you explained the benefits and cross-sold the speakers, you would be acting in the customer's best interest and you'd get richly rewarded for helping them.

There are two reasons many customers will choose a lesser product or service than they really want: Number one, they don't have the ability to discriminate and perceive the difference in performance or benefit that the higher grade product (or combination of products) could mean in their life or business. Number two: they may be intimidated by the full retail price.

How do you overcome these obstacles? First of all, you educate them about the differences and give them a visual experience into the future – a vision of themselves benefiting from the superior grade or combination of products or services.

Second, offer them a strong incentive (monetary or otherwise) that will encourage them to upgrade instantly – one so appealing that they are more inclined to say “yes” than “no.”

If you both educate them and give them an attractive inducement, between 35% and 50% of your customers will almost always say yes!

Think about that. If you could get 35% to 50% of every customer you sell to move up either in quality, quantity, or combinations of products or services, the effect on your bottom line could be profound.

Bundle Products or Services

The bundling approach is similar to cross selling, except that you actually offer the complementary products or services together as a complete package (rather than adding them on piecemeal at the point of sale).

Sell 'Em What They Want

Want to boost your average customer purchase? Here's a tip: Talk to your customers. Afraid you'll sound pushy? Not if you engage your customer in a non-threatening way.

Let's say you run a bait and tackle shop, and a customer comes into your store. You can tell by the way he's looking around that maybe he's a novice fisherman. You might safely engage him in conversation by asking what kind of bait he plans to use that day and make a recommendation.

But the customer really doesn't just want bait. If you engage him in conversation, you'll probably find that he's really looking for the thrill of catching "the big one" a fish that he can mount on his wall. Or, maybe he's got a stressful job and is looking for relaxation some peace and quiet. Or, maybe he plans to take his son fishing for the first time and wants a fond memory...

Your task, then, is to sell him what he really wants. You might recommend a better fishing spot, based on your knowledge of the local hot spots. You might recommend a business, with whom you have a joint venture, where he can get his trophy fish mounted at a discount.

Based on the information he provides you, you might be able to sell him a new rod and reel, or a disposable camera to take a picture of his son catching his first fish, or some sunscreen because there's no shade near the fishing hole you're recommending, or rent him a fishing boat if he doesn't have one, or anything else that he doesn't have.

You might even share a story about the one that got away from you, or the first time you took your son fishing and the fond memories you have.

Not only will that customer probably buy more from you, he'll probably come back to share his experience with you later that day or the next day. And he'll probably tell his friends about your shop.

Here's my point: If you don't engage your customer in conversation, you'll sell him \$2 worth of bait. But if you talk to him and find out what he's really looking to buy, you won't let "the big one" get away! Why bundle?

Most products and services need to be combined with other actions, other products, other services, other components to make them perform at maximum. Yet, most people don't know where to go and what to buy to make a product or service perform at its best, or to make a purchase complete. *They simply accept sub-maximum.*

You should approach bundling from the assumption that every one of your customers would be willing to maximize their experience or their result if they knew their options and didn't have to go out of their way to identify, acquire, and combine all the products and components. With that assumption made, you have the opportunity and the obligation to make it easy for your customer.

Why would you want them to buy one thing from you and then have to go all over the city or the country or the industry looking for other components that will make your product or service perform at its best – especially when you could do that legwork, that research, that sourcing for the customer, providing them with an extraordinary advantage, benefit, and service?

You should identify the best products or services that combine with the product or service you sell. Then combine them or bundle them together as a one stop, one price transaction and give your customer an incredible value. You could put three or four products or services together, then reduce the price on two or three of them, thus giving a much greater advantage to the customer.

But in aggregate, you would be making two, three, four times the profit per transaction that you are used to when you normally sell just one product or service!

And because you make it easy for the customer, it's a no-brainer!

It's easy to see how bundling can be applied to the retail industry, but what about service professions? No problem.

If you're a real estate agent, you could offer a package that included (via joint ventures) moving van service, recarpeting and painting services, security system installation, etc. You could make a greater profit by bundling these services and offering a turnkey home ownership package.

Suppose you're an accountant. Most accountants do either compliance or tax work. But why not also offer financial planning services as part of the package? What better source to recommend truly worthwhile investments and financial services than an accountant?

The deal could be that in addition to handling compliance work every month, you also recommend, manage, and advise your client's investments, all for a set fee (perhaps 50% above what you'd normally charge.) It could mean a great increase in profit for you!

Use Point of Sale Promotions

Point of sale promotions are one of the most simple, automatic, instant, and predictable methods for massively increasing the total amount of a sale per customer.

Let's start with a common example. Think about your local convenience store or supermarket. At the checkout counter you'll find chewing gum, cigarettes, magazines, beef jerky, lottery tickets, single dose pain reliever packets, and Lord knows what else!

Research shows that up to half of everybody standing at the counter will choose one or more of these "impulse items." In some cases, adding these extra items could as much as double the total sale simply because of the impulsiveness of making them available to customers at the point of sale.

The same is true of signs in windows or on store shelves promoting specials: "Buy two, get the third one for half price!" Every time you do that, it motivates a percentage of your customers at that point to purchase the item. And that has the effect of increasing the average unit of sale.

Ever been in a K-mart, where they had a "Blue Light Special"? You're in the store to buy something specific – a piece of clothing, a hardware item, a household item of some sort. And

then all of a sudden on the loudspeaker they announce an incredible Blue Light Special where you can buy this \$50 appliance or tool or game for only \$38.

Why do they do that? Because a lot of people who had no intention of buying that product or game or appliance will flock there and buy it. And even though profit is reduced incrementally, it's all found money, because they'll sell 100 or 500 or 1,000 of those products in that brief time period – many, many more than if it just sat on display at full price!

Think it can't work for service professions? Think again. I have physician clients who put up signs up in their offices continuously promoting various additional services or products you can get at the time of your visit. "Flu shots: \$19 today only"...special prices on vitamins...reduced fees for complete physical examinations or specialized services.

I've seen it work elsewhere as well. Health clubs have signs that say, "Free 15-minute facial with every full hour massage." Guess what happens? A lot of people commit!

Offer "Good, Better, Best" Options

The idea of offering people good, better, and best options has a number of very powerful factors working together to help your customer get the best outcome possible. The premise is that there are probably several different gradients of either quality or quantity that you could offer at graduated prices.

You could start with "good," meaning the smallest size or the basic service. The "better" option might have more bells and whistles, be larger in size, or be somewhat more effective. "Best" would be like the Cadillac or the Rolls Royce or the Mercedes version of your product or service, or a premium combination of the other choices.

Prices increase according to grade, usually with the "best" option representing the greatest value for the dollar.

A common example of the good, better, best approach is at your local car wash. A basic, run-of-the-mill wash might, at \$6, be a good deal. But a dollar more might get you a "Deluxe Car Wash," which includes wax to make your car shine.

Finally there's the "Supreme Car Wash," which includes wax and undercarriage wash and tire cleaner and chrome cleaner, all for \$8. Who wants to get a simple wash when all these extras are available for just a couple dollars more?

The good, better, best approach works on several levels. First of all, it provides a basic, economical option for those customers who might not have bought anything otherwise. But more importantly, it will likely steer about 30% to 50% of the people who would normally have bought grade one to buy somewhere between grade two and grade three, depending on the attributes and price incentives. And that has the effect of tremendously increasing the size of your order and the amount of profit per transaction!

Use Volume Discounts

The final method for increasing your average sale is to offer discounts based on volume. You can secure a lucrative contract, land a big client, or move a ton of inventory simply by offering a special rate for large quantities. In the process, you increase your average customer purchase substantially.

The success and profitability of this approach is manifest by the numerous warehouse clubs Price Club, Sam's Club, Costco, etc. Now, if you've ever been in one of them, you know that you end up buying 15 bottles of ketchup, 60 rolls of toilet paper, and the giant sized jar of peanut butter! Do we really think we need it?

No! It's just that the price incentive is so appealing we cannot say no! This is a phenomenon that has driven a multibillion-dollar industry. You should recognize and consider borrowing this proven process for your business wherever possible.

Never Sell Them Less Than They Need!

No matter which approaches you use to boost your average customer purchase, never forget that it is your job... no, it is your undying duty, responsibility, and obligation to sell your customer everything he needs to achieve their desired end result. If not, you are doing a grotesque disservice to your customers, and they may not buy from you again.

Remember: You're not selling a product or service; you're selling a desired result. If you truly embrace this philosophy, you won't feel sheepish about selling additional products and

services. You'll actually feel compelled to make recommendations or to tell your customer the whole story. And believe me, they'll richly reward you for it!

Car Dealer

Did you ever buy a brand new car from a automobile dealer, and when to the Finance Manger, you almost always bought either the Extended Warranty, or the Lo-Jack System, (which is an expensive system to track your car if it gets stolen) or the chemical undercoating or overcoating to preserve the body and to keep it from rusting, or some other addition?

Do you know why you did that?

Well, certainly it made economic sense. But it's a little bit more sophisticated than that. You were already committed to that purchase, you were already emotionally invested. You fell in love with that automobile. It was yours, it's your baby.

When the dealer offered you other ways you could protect or beautify your baby — how could you say no? And in fact, it was a good value you for you because if you truly keep the car long term, extending the warranty, protecting the paint, keeping it from rusting was a very astute decision.

But the key point here is that you were pre-disposed to buy anything and everything that would make that purchase more valuable, more beneficial to you. And that's how it works.

If you've ever bought anything from a late night infomercial, when you called up you know that they almost always offer you one additional product you can add to the purchase right then at a preferential price. 30% to 80% of the people buy it.

Up-Selling Will Help You Grow

Earlier I told you that few business owners take the important step of identifying and using a Unique Selling Proposition.

Well, that's not all that many of them fail to do. In my work in dozens of industries and in thousands of individual firms, I have encountered very few business owners who offer every customer a better deal at the point of sale.

Marketing people call that “up-selling,” or a “bump.” At the moment when a customer becomes truly serious about buying something, you let them know that if they prefer they can have a larger quantity at a special price, or a special combination of products, or a full season or full year of service at a discount.

As a technique, up-selling is easy to do in any kind of business or profession. A dentist can use the technique just as easily as a car dealer can. And if you use up-selling, it could double your profits in a very short time. You might do much better than that, in fact. Up-selling is the simplest, fastest way I know to increase the size and profit of an individual sale.

Here’s a case in point: A gourmet takeout in New York changed its schedule so that its employees could “u-psell” takeout luncheons and dinners at the same time customers were picking up their breakfasts.

The result (and I quote from a letter) was “drastically increased sales.” Did you notice that wording? Sales rose “*drastically*.” And notice what it took nothing more than a person at the counter saying, “Would you like our special lunch today, in addition to breakfast?”

Talk about a surefire, no-brainer prescription for success!

Up-selling should be at the top of the things to do list in any business or professional operation. A sales clerk in a store can easily up-sell customers after they have agreed to buy something, but haven’t yet paid for it. And a telemarketer can upgrade a sale with the same very modest amount of effort.

Perhaps you can combine the item being purchased with a related item for a larger sale, like a camera carrying case with a camera.

This is what I want you to do:

If you aren’t using the up-sell technique now, figure out two or three things that you could offer your customers, clients or patients as an up-sell option, and write them down.

Once you’ve done that and reflected on the possibilities, start using up-selling on a limited basis, just to test the waters. You might, for example, pick out just three of your best customers and give them an up-sell option the next time you talk with them on the phone, or the next time they’re in your shop or office.

Up-sell Or Resell Right At, Or Immediately After, The Initial Sale

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.

Fast Cash Boosters Up-Sell

A lot of you have written and asked me to help you incorporate upselling into your sales activities. So, let's get right to it. Here is an easy-to-adopt upselling scenario:

You are selling a service. You have persuaded the customer or client to say "yes." The agreement, the search, the purchase agreement is about to be signed. What do you do?

Well, first of all you recognize that you've already taken the client through the arduous and delicate process of developing trust in you. They now trust you in an advisory role. You are — in their eyes — an expert.

So you say to them: “Before we formalize the agreement, I'd like to make one more recommendation, if I may. I recommend you consider not just doing _____, but _____.” (Here you are moving the customer from the existing service they were originally going to buy to a superior service.)

Then you say, “Here's why I recommend that,” and then you go into a simple one- or two-sentence explanation of the additional value they would gain by upgrading the transaction. In other words, you talk about the superior results they'll see!

Use This Script To Up-sell Your Customers Like Crazy

Say to prospects, “My company will allow me to upgrade you to the superior service or package of services for only a nominal amount more than the good, basic service you chose originally. Instead of having to pay two times more to move from our basic to our superior service, I can upgrade you or add it on for a modest amount more.” (At this point you specify what the amount is.)

The trick in the upsell is your script. It acknowledges the prudent decision the customer or client has made and is about to sign off on. It then alerts them to the fact that since they've already decided they want that result, they probably would have an even greater appreciation for the superior result — which you can give them for only a modest amount more!

A word of caution: an upsell will backfire on you and breed resentment if your customers perceive it as only crass bait-and-switch strategy. To avoid that pitfall, halt the upsell whenever a customer or client shows by words, gesture or expression that they have serious reservations about upgrading. At that point, you should put them at ease and start talking again about the high value in their first purchase choice.

In any selling, your first objective should be to remove prospect resistance. There are a number of massively effective ways to do that. Each of the techniques is ethical, each is beneficial to customers and clients — and each is non-manipulative.

Risk Reversal: Here, you (as seller) assume most or all the risk in a transaction and your customer assumes none of it. The textbook example of risk reversal is the 100% guarantee of a full refund with no questions asked. It's a wonderful way to sweep away buyer doubt or hesitation.

I believe strongly in “reversing the risk” and, as some readers know from firsthand experience, I use the technique at my business-building seminars. If a seminar attendee doesn't find solid value by the second day of a three-day seminar, I refund their money.

Two-Step Selling

Two Step Selling: Again, the object is to neutralize or remove customer doubt. Two-step selling does that, because in two steps you offer your prospects something of clear value, free of charge. The free item could be a free information document, a free lesson, a free trial of something or (if you're a physician) even free flu shots.

Both techniques — risk reversal and two-step selling — establish you as a seller who can be trusted and one who is trying to add genuine value and advantage to a customer's life.

A Los Angeles-based pest control company 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.

The possibilities are endless. Here are just a few of the many success stories that my clients have realized after incorporating these techniques into their sales efforts:

Direct Retail

Russ Chapman offers water treatment services and recently began asking customers if they wanted to change all filters at their time of service. The result is a 70% increase in customers changing their filter, which has increased average transaction value, and of course, made better water for the customer.

Locksmith

Nickolas Kokoron, while on site at a service call, began offering additional services that could be performed while still there. About one-third of the customers take advantage of this, boosting each sale an average of \$200.

Roofing Company

We sold not just the roofing side, but we sold all the accessories – all the roofing, all the design – a complete package. We've now trade-named the name "Cal Package." What we've done is bring the whole package together, give it to the approved contractor, so the contractor sets it up as a total.

Then what you have is not our normal Calset, but you've got all the others. We make 20% on all the other products as well. You increase your value by 20 to 25%.

Software

Bundling in the software business is an example, but there are so many others. Package together your own stuff, other people's stuff, software.

We had a guy one time who was selling a software package for about \$20,000 that big financial institutions used to print forms so they didn't have to buy them. But no one bought it because they had to buy a \$10,000 piece of hardware.

I said, "Why don't you give them the hardware ... why don't you either sell them the hardware and give them the software free, or do something where you pack them together?" They did, and they raised the price of the software and threw in the hardware for free and they sold tons of them. Software used to be an upsell. Now it's a package

Music

We do quite a lot of promotions with CD or cassette storage. You go into a store and there will be a tradeoff. If you buy a storage unit of such and such a price, then you will be able to buy the CDs or cassettes at a discount. The same goes with cleaning items, head cleaners, etc. There are tradeoffs we do all the time with various items.

Hair Salon

We sell a 32-oz. bottle of shampoo, and we give a complementary haircut which helps promote the younger members of the team. I find my clients who are already buying a 16-oz.

automatically then trade up and give the voucher to the husbands or the kids. They keep buying the 32-oz. bottles and keep the smaller bottles to refill to.

Fax Machines

Fax paper and faxes, hard and soft, service along with product. The classic example was KPro, the first one that ever did that. It had about \$5,000 worth of software packaged in.

Photo Finishing For Professional Photographers

We have an item that we call an “Economy Wedding Special” where we include the pictures in an album. The album separately would cost \$12.

Hearing Aids

We provide a year’s worth of batteries with the hearing aids.

Pipe Fittings For PVC Furniture Industry

When I started my business, we had one product. Today we have 46 products. Some we represent, some we manufacture. We now sell them everything they can buy except their stationery.

Rental

It’s a natural in our business, because for many things people rent they need many add-on items. We noticed a lot of carpet shampoo machines were going out of the store without shampoo or deodorant or defoamer. We got a little contest on the counter, and the person who sold the most each week got \$20. We sold a six months supply in the next two months.

Government Oil and Gas Company

In the drilling industry this is causing a major stir. I’m looking at it from the contractor’s viewpoint. We produce oil and gas. We’re not that interested in drilling, apart from getting it done. Currently we have 27 contracts.

The bidding process takes a year and immense manpower. A lot of these contracts are now being bound together by some of the companies involved in the industry, so they are making it easier for us to contract and drill wells.

Film and Television

Oftentimes you’ll find a director package with two or three stars from one agency.

Computer Sales

I had to buy a computer. I went looking, and started to look at prices. I went to seven or eight different places. The place I went back to and decided to buy from was a little bit more expensive, but this is what sold me:

He offered to take all of my existing software, install it for me and throw in several other software packages I didn't have. He also offered to come to the office and set it up, make it run and throw in the first service call three months later for free. I've called him back several times and referred several people.

Commercial Leases

We concentrate on the larger tenants. We bring together a team approach. Besides our own services, we have a planner who we've joint ventured with. We have after-market services that go to the lessee and see if they are overpaying on the operating cost.

Basically we've gotten a lot more transactions and it also increases the average transaction value because there's back end as well. It's been very effective in getting more deals. It's a real differentiation in the market place.

We went up against nine brokers on our last transaction. We're only two guys, and we beat out all the national guys. What the space planner was able to offer – and I think this was the deal maker – on one of the transactions, the landlord had said he would do the work for the tenant and it was going to cost \$35 a foot.

We said we would do the work, and you could give us the \$35 a foot. The difference was about \$18 a foot in the cost when our planner did it. With over 40,000 feet, it was a pretty significant number. Once we tell them that, the differentiation is pretty high. The team approach is the differentiation.

Telecommunications

Long distance service – you are probably confused about long distance offers like the rest of the marketplace. It's highly competitive and looked upon as a commodity product.

We deal strictly with business to business. Our average cost per minute runs around 13.5 cents, which we get beat on a fairly regular basis.

Recently we packaged several products together. Everyone's probably familiar with a calling card. You use faxes, long distance, voice mail, messaging and paging. We packaged all of those together under one product and gave it a single human user interface, and brought in a little of our own technology that allows it to be accessible by a touch tone telephone anywhere in the country.

Developer

We're put together a strategy to sell a 32-unit condo project. It's a high-end development. The starting price is around \$300,000 and it's for retirees. The developer is trying to get presales because most banks won't give you the money until you get sales. So he was going to start lowering the price to do this. That made him the same as everybody else.

I said, "Wait a minute and let's find out what else these people need and keep the prices the same and make it a little better."

What we did was to align ourselves with an interior decorator, and we offered their services for free. Most people don't know that you don't have to pay that interior decorator to consult with you, but they make their money selling the drapes and so forth.

We went out and negotiated a lower price with a moving company. We gave them \$10,000 to spend on options on the condo and packaged that all together with the money we would have normally discounted the units with. We've already got four sales at full price doing that. Packaging really works.

Just a word of caution: when you're adding things, you've got to make sure that what you give them is of at least the same quality as what you sell. If that item becomes a problem, your credibility is out the window. People remember that sort of thing.

Hotels

Packaging can be several hotels. We have seven hotels in California and we thought we would do two promotions. If you stay in a Western Hotel for "x" amount of nights and pay x amount of rate you'll get a complementary car for the same nights.

For an example, you are working in San Francisco and staying at the Saint Francis, which is ours. We would give you a car to drive and stay at another one of our hotels at a reduced price. We did 8,000 room nights with this promotion.

Laboratory

One thing I've always found to be successful is to start with the entire package of services bundled together, and if you make the sale, you've added a lot of value and you made a lot of money. But if you get into a situation where they say, "No, sorry, it's too much money. We don't have that much money in our budget," you are now in a position to find out what their budget is and start backing out services at cost. Then what you get down to is something at a much higher profit level.

Laundry Soap

Generally speaking, the most expensive thing you can do is to make the sale. If you can get the customer to the product by creating an extra large pack, you can create a bonus value and get your price point up at a relatively trivial cost.

Think of laundry soap products, where the jumbo box costs only 50% more. Every one of those upsells into greater units of purchase adds very high margin to the sale, and a lot of satisfaction to the buyer.

The buyer doesn't care what your margin is. They only care that they had a better value. It didn't matter that they pay \$5 more, and it only cost you a nickel. It didn't matter because their satisfaction was much higher than it would have been on the original purchase level.

It may be that your original package or product may not be the optimum level. You may not be putting as many things in. For instance, selling two or three units at a time may be exactly what your customers want. You have to experiment with it.

Computer Business Services

We started in 1987 with four businesses you could run from your home computer. We're up to 30 businesses you can run from your home computer now. We sell a five-program package and a ten-program package. By grouping them into packages, we feel we are adding more value.

We had to determine how we were going to market them as we continued to add businesses. We also work with people and average an eight-program package.

Annuities

If you have any kind of an annuity business and you have a one-year product, you can add a two-year product just as a check off item. You can sell an average of at least 20% more just

by giving the option. You might increase your unit of sale from x to 1.5x just by a little check box.

Retailer

We sell 200 aloe vera capsules for \$39.97, but folks can join a club and pay \$29.95 a year. If they do that, it entitles them to buy a bottle of 200 for \$29.97, and it also entitles them to buy it by the case at 50% off. We get quite a few sales like that. The juice we charge \$29.97 a gallon, and if they join the club they can buy a case of four gallons for \$50.

The club members take advantage of the larger sizes and if they buy by the case. It's drop-shipped directly from the farm in Texas insuring maximum freshness.

Newsletter - Singles

On the back page of our paper is a membership application and an ad form, side by side. Down at the bottom it shows that they save \$6 by sending their membership application at the same time they send an ad. The orders received in the mail average between \$40 and \$50.

On the telephone, first of all, we go over their ad and make sure we're bringing out all of the personality traits that somebody has. We end up with the average ad being about 2,550 words longer, and we charge by the word.

Most important point is the ending line, is that the sale is twice as much when it's on the phone – which makes me a lot happier – but the customer is going to have an ad that works three or four times better than the one they sent in the mail.

After we get done, we keep asking questions until the customer says “no” three or four times. After we get the ad done and all of the special effects they are going to take, we say, “Would you also like to get a membership so you can see the paper every month?” Probably 60% of the time they add a membership.

Saddle Manufacturer

We have introduced to our line a lower end saddle, which is around \$1,000. A lot of people call us about the lower end saddle. However, the lower end saddle doesn't offer any options.

If you want to change and get all of the things that make you happy, you have to be bumped up to the higher end. So it works very well. More than 50% of the time people call us about the low end and realize they would be far, far happier with the other one with all the options. The difference in price is about \$500.

Selling Service Contracts to Large Corporations

I was selling service contracts for some rather large, complicated equipment. We were raising our prices roughly 20% that year, and the particular purchasing manager we were dealing with said, “We are asking all of our vendors to drop their price by 10% this year.”

Instead of fighting him on it, I put it together a five-year deal instead of a one-year deal, for roughly \$100,000 instead of \$20,000, and showed him the 10% savings. He took it to his boss and they thought it was the greatest thing in the world. We came out with a check for roughly five times as much.

Medical - X-Ray

We service x-ray equipment in hospitals, clinics, and doctors’ offices. We do package deals for the customer where we go in and offer them a service contract for one year. Sometimes they would like to get a better price, so we offer a multi-year contract with no increase.

For instance, we can offer them a three-year contract and have the price fixed. When we go in, if they have one piece of equipment that we service, we will offer them a price break and maybe pick up three or four more rooms of x-ray equipment. It’s a win-win situation for all of us.

Tape Sales

One of the ways we try to increase our sales is ask ourselves how we sell less. Then we get all the answers and turn it around.

Before we got involved with Nightingale-Conent, I wrote them a series of tapes called “Action is the Key,” which was thirty tapes in fifteen boxes. So we had a package, but we said to the customers, “You can’t buy the package. We’ll only sell one a month.” So we took the idea of the package and turned it upside down and locked the customers.

Marketing Group

If you offer good, better and best ... a statistical study that I just read in Tom Hopkins' new book was that if you offer three options, 68% of the time people will go for the middle option.

Marketing Company First Aid Manufacturer

One of our largest clients is a first aid manufacturer; in fact he is now one of the largest in quantity manufacturer in the nation. He has an auto pack with road safety items and first aid together.

When it was first debuted it didn't sell very well. Companies like Costco and Target carried it, but it wasn't displayed. We then got the idea to bundle it with tire chains, car jacks, jumper cables and as of this last month his sales have increased a little over 30%.

Research, Publishing, Consulting Firm

We have in-depth reports. We decided instead of just selling the reports by themselves, we would sell a series, so the in-depth report would be the lead product and quarterly we would provide an addendum to it.

It turned out most people were interested in the report as well as the series, so it increased the results.

Mortgage Investments

We train real estate agents on how to create owner financing. A percentage of those property sellers will want to keep that entire mortgage and not sell a part of it to us. Because they don't need the lump sum cash, they would like to receive that monthly payment.

What we will be offering is a servicing division where we will professionally collect the payments, send out late notices, send out coupons, provide an amortization schedule and we will professionally service that mortgage if they need to sell it in the future. With the monthly payment they would receive, they will also have a call to action: if you need money you can sell part of your mortgage to us.

Car Dealers

We sell a premium incentive to over 2,000 car dealerships. What we are offering is a product that will generate clients into their business. We also give them scenarios where direct mail pieces, radio and television advertising has worked for other dealerships using our product

that we have developed into a package that if they desire, they can use their own ad agency or use us.

We're a lot less than the cost of using direct mail or other advertising agencies. So we package it all and give it to them as a complete package. An auto dealer may spend \$60,000 in advertising a month. With our package they can decrease their advertising costs and increase their leads.

Door-to-Door Sales

When I was in college I sold Bibles door to door. Whenever I would go into a home that had young children, I would always package a Bible stories book with the Bible. If you just sell the Bible it was \$40. With the storybook that was a \$12 value. You put them together and made a \$50 package, and you don't even tell them it's a package.

You can create more excitement with that Bible stories book with all those big pictures with those little kids than you could with the Bible. So you got a higher sale, plus you got a higher percentage of closing that way.

Seminars And Training

This was the biggest increase in sales by using this technique. We used to do seminars, preview events that were originally free. At the end of this seminar, two or three hours, your intent was to enroll them in future programs. We had a 5, or 10, or 15% close ratio at the end. The challenge was these people would leave, and you would have to follow up with telemarketing or whatever. It was very expensive to follow up with these people.

The big distinction that we made was we started charging for these seminars. You got more committed people. We started charging \$100 for them and giving more value. One of the things we gave more value was we included a private coaching session after the seminar. The value was \$250 to \$500 of coaching time.

We said, "If you sign up for your coaching session tonight while you're at the seminar it's free." They would have to come to our office for a one-hour coaching session. At the end of the session they couldn't believe the value they got, and it ended up being a sales presentation at the end - 44% increase in sales.

Dietitian

I went to the publishers of cookbooks and reading books and got them at really reasonable prices, and then I sell them at my consultations I am way ahead of the game two ways – more customers and more incremental profit.

Life and Disability Insurance

Life and disability insurance is provided very often by a credit provider. If the consumer is going in to borrow money, that's what he wants to do. He ends up with a payment to make, and effectively, the credit provider would offer him the opportunity to protect his payments. That is precisely what I build my business on very successfully.

Tractor Sales

We sell a motor glider. Caterpillar sells one also, but more successfully than us. They charge a lot more money, sometimes as much as \$60,000 more.

In one particular company we couldn't get to first base with them. We also knew they were going to buy a Bobcat. What we did was keep our price the same as Caterpillar, offered them Bobcat in the same deal with the motor glider for nothing and we won the sale and earned an extra ten grand!

Garden - Turf Sales

This is the basis of my business, because we would sell fertilizer to grow grass, and I worked a way of mixing seed in with the fertilizer. That way you would fertilize and the grass gets nice and green from the new seed.

The seeds need hormones to give them a quick start, so we sell hormone treatment. And the grass can get diseases, so we have to sell the fungicide to keep the seeds healthy. At the end of the day they are very happy, because they get a very beautiful lawn.

Wholesaler

We were introducing a new product that was outside of what people expected from us. The competition was just putting it in boxes on the floor. We decided to merchandise it. We went out with an initial offer of getting the point of sale material for nothing if you bought ten. After two days we pulled it, because we had only one sale from our sales team.

So about a week later we kicked in a risk reversal proposal where we guaranteed the performance of the sale of the product. We went back into the market with it, and we pulled that about three days later.

I put together a package where we put two high flying products in at a substantial discount, provided you bought the other package. The first day we got seven out of seven and the hit rate on that has continued.

Wine Retailer

Possible complementary products: Insurance, coffee, chocolates, coffee machines, glassware, decanters, wine systems, chips, nuts, orange juice, plants, olive oil, movie vouchers, video vouchers, fitness club passes, car wash passes, dinnerware, housewares, CDs, books on wine, books on finance, magazines, cheeses, ice cream, ice cream scoops, corkscrews, kitchen appliances, cleaners for your wine stains on the carpet...

...Patio furniture, mineral water, nonalcoholic wines, tea pots, perfumes and toiletries, wine boxes, thermometers, air conditioners, finance magazines, business magazines, newsletters, all types of magazines, cookbooks, gardening equipment, glass dish washers, car accessories, wheelbarrows (many of our customers are into gardening lifestyle), travel vouchers, travel insurance.

Chiropractor

I've never sold anything except chiropractic care. I'm going to surprise them on Monday. Health cookies, pillows, sleep advice, asthma vitamins, tonics, diet books, footwear, orthopedics, massage oils, herbal extract, back support, lumbar supports, weight lift belts, snore pillows, children's clothes, t-shirts, caps, stickers, special preparations, shampoos, self help books, videos, exercise mats, audio tapes, stress, psychology services...

...Massage, naturopathic: medical services, dietitian, counseling, relaxing, movie tickets, clinics, sport work shops, posters, exercise sheets, seminars, family plans, yearly schedule, wellness card, optometrist, health food, fruit, health restaurants, automotive seats, exercise equipment, bikes, mats, treadmills, steppers, walkers, weights, gym memberships, spas, swim passes, aqua aerobic classes, meditations, re birthing, acupuncture.

Wedding Photographer

Mats, frames, film, film processing, enlargements, discounts on weddings, hair dressing, florists, limousine, reception hall, jewelers, discount on hosiery and hair accessories, albums,

parent's album, gowns, shoes, video production, gift boxes, gift wrapping, graphic design, discounts on honeymoon destination, travel agent discounts, luggage, tanning vouchers, beauty treatments, leg wax, lip wax.

Computer System Wholesaler

Cleaning service, extended warranty, consumables pack, tech support, additional computer at a discounted price, prepaid support, factory back up, new computer training, cleaning kit, keyboard skin, topping software, desktop publishing software, marketing training, contact software, catalog service...

...Modem, design, office layout design, internet page setup, different back up services like zip drives, tape drives, etc., laptop computer, spare battery, insurance package, chair, ergonomic consultant services, finance package, time management, keyboard rest, cleaning service, renewal service, monitor service.

Natural Health Clinic

Dr. Beverly Yates, N.D. offers natural medicine products in her pharmacy in addition to providing Naturopathy services. Her patients appreciate the convenience of not having to go to another location to purchase the products they need, and Dr. Yates increased her bottom line net profits 20%.

Medical Doctor

The whole essence of surviving in a medical practice in managed care is to upsell and cross sell things that aren't under managed care, (or that are not covered) but that are in the best interest of the patient. The key here is to go through your book and find out what isn't covered under managed care.

Step out of the box. Find out what isn't covered under managed care that would benefit the patient and the type of service you give, and then you put that along with managed care. If managed care won't pay for a service, then you have to collect cash for it. But it's worth thousands and thousands of dollars so don't let your whole practice be under managed care – only a portion.

Car Rental Company

Upgrade customers to a bigger car and sell them insurance, too.

Display Advertising

Customers usually come in looking at a quarter or an eighth of a page, and we upsell them to a half or full page. We also upsell them in the sense of selling a series of ads rather than one, and that's the most profitable of all because the acquisition cost of the customer is only once that they are there, and the selling time is the same.

Photographer

I do a natural upsell when customers buy photographs from me. Rather than box them up or bag them up like everybody else, I put them in frames on display in the studio, so when they walk in they see it framed immediately. I sell over sixty percent of the customer's frames without doing any extra work.

Consulting Engineer

In the realm of professional services, sometimes a client thinks he needs X, and asks four engineers to give him a price for X. The consultant knows he needs X + Y, but knows he would lose the job because his price would be higher. So after the customer gives him the contract for X, he says that because of certain reasons they also need Y, and they usually agree with him.

Also, he can give two bids, one for X, and the other for X + Y. He can sometimes win the deal because of the consideration of taxes in the deal and it is structured accordingly.

Computer Sales

Offers software to go along with the computer at the time of sale at a discount, and not only does it save the customer money, it also does a service to them as a convenience.

Boat Sales

A man came in to buy a kneeboard for water skiing behind a boat but wanted to spend less than one hundred dollars for it. The salesman asked why. The customer ended up buying an \$18,000 boat.

Office Supply Store

This store calls customers a month after a sale and asks, "How is the machine?" Then they say they have a nice deal on a service contract. "Do you want to get it now?" If they didn't get the service contract at the time of sale, they say, "It's only 'blank' ... Do you want to get it now?" Most people say, "Fine." Then they offer an even longer service contract to you as an upsale, and it is even a better deal. You can use post purchase reassurance.

Industrial Compressor

The average warranty period for their area of business is one to two years. They already give three years on their products. The products are very stable and last twenty five to thirty years. They go into the market and give a conditional fifteen-year warranty based on them doing all of the service on the compressor.

With a fifteen-year warranty, they can charge more for the same product and make another 15%. A \$2,500 product over ten years of service makes them \$15,000 gross with a 70% profit margin.

Belly Dancing Seminar

Has videotapes and workbooks available for sales at a discount before or when students sign up for classes.

Telephone Psychological Services

Sells family counseling in addition to individual counseling. If the client can't afford to pay for it all now, they can make a down payment first and then make payments over time.

Seminar Presenter

Gives a discount when clients sign up for the multiple seminar packages.

Sales

Sells first item at retail, second at 10% off, third item at 20% off, and so on and so forth, until the tenth item is free.

Video Rentals

Asked people who started to leave the store without renting what they were looking for. They would then recommend some older great movies that most people had not seen but would really enjoy, and guaranteed they would like them or feel free to come back and the store would discount the transaction. When they did that, their average sale bumped up to three, and 80% of the people kept all of them, and paid for them.

Sales Training

A company said they wanted the trainer to discount his services or they couldn't do business with him. They had also said *the* reason they could not afford his sales training is because their own sales people were discounting, and there was not enough profit left to pay for the training at full price.

The sale trainer explained that the best course of action would be to make the training more valuable rather than discounting the fee. He put in some extra material, some extra training, and offered to train some extra people, then raised the price by 15%, and the company bought his services.

Freight Trucking Company

Trained employees to look at the dock when they were at a company and ask if they needed anything else shipped as well. “My company went from \$20,000 per night to over \$50,000.”

Financial Consultant

A life insurance company has what they call “banding,” where the unit cost per thousand becomes cheaper after you hit limits of \$100,000, \$250,000, half million, and a million dollars. When somebody says they need \$150,000 of life insurance, they quote them a cost and then say, “If you just go to \$250,000, you would save a dollar a thousand.” Seventy percent take advantage of the offer.

In the securities industry it is even more powerful where it’s called “break points” in mutual funds. Where it may cost 5% to buy a fund, but at \$50,000 it breaks to 4.5%. and at \$100,000 the cost is 3.5%. It is so powerful that they are bound by the rules of unfair practice that they have to tell the client that they are close to the next break point.

Chapter Four: Enhancing Profits with Telemarketing

Grow Your Customer Base and Increase Transaction Frequency by Using Telemarketing

Telemarketing has the capacity of being one of the most invaluable, powerful and profitable profit centers, resources, marketing tools, and techniques you can use.

You can use it for a multitude of things. You can use it to keep you continually in touch with your existing customers. You can use it to develop aspects of your marketplace you could not cost justify addressing with a live sales person.

Taking someone who's just bought something and upgrading them to a larger purchase or more purchase after the sale. Setting up and qualifying appointments and prospects and generating leads for your sales force. You can use it for following up and preceding sales calls that will be made by your live sales force.

Using Telemarketing To Boost Your Profits

What would happen 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 further, was 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.

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).

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 offer a reason why (or multiple reasons why), then lead the customer to action. Tell him or her why they should buy, how to buy, and why they should do it now. Then ask for the order.

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, concertedly, powerfully and intimately express them in a manner people will respect, believe and (most importantly) respond to!

Telemarketing should never be seen as tacky. It should never be seen as repugnant. It should be seen as the ultimate service, the ultimate consultative, the ultimate communication vehicle, the ultimate way to extend value, to add benefit, to add information, to add consultative advice to a customer or prospective audience.

I was involved with one of the very first telemarketing organizations that ever existed in the very late 60s. We sold chemical products to 25 different segments of industry and we did it strictly by telephone. We built huge, huge, huge, huge customer lists.

We had a salesman who penetrated our existing market. Once he became proficient at it he would become sales manager, and we would have him train and get an override from other

sales people. When he'd built a good strong division, then we'd move him to a different chemical product in a different industry... and we'd keep repeating it and repeating it. We eventually got to a couple of hundred sales people and did millions of dollars.

Telemarketing is very powerful if you use it in the right context. A lot of people are afraid of it or resent it.

It's like a letter; if it's valueless, if it doesn't give any information, it's useless. If you call and you use the opportunity to communicate something of value and you respect the person on the other side, and you add value and you give valuable information and you give good advice, most people will really appreciate it.

You could call and say:

"I'm calling from Abraham Corporation. You probably know that we manufacture a lot of products and we don't have sales people in the field and we realize that companies of your size really could benefit from our product.

We wanted to call and at least extend to you the chance to benefit from the results our product could produce for you."

And you could start a dialogue with them, and probably they wouldn't hang up on you.

If you called somebody who had just been called by a salesperson and you said:

"Jay Abraham really enjoyed the meeting he had. He wanted me to call you and first of all tell you that he wanted me to answer any questions you had, and that he had a couple of other thoughts he wanted me to offer... "

If you had somebody who called after somebody had bought something and said:

"Mr. Abraham, we really wanted you to know we appreciated your doing business with us. And in fact we appreciate it so much that John, your salesperson, just got done talking to the Managing Director who

authorized us to extend to you, if you want to do it in the next five days, the chance to upgrade that sale. We'll take back the standard-sized version and let you upgrade to the deluxe version for only 30% more."

Telephone selling behind a direct mail program is a statistically wonderful combination. If you call in front of a letter, it is normally not as effective. It doesn't make a big impact on the letter because the call is cold. I don't know what it's like in Singapore or Malaysia, but in the States if you call ahead of a letter it makes a moderate, but not a significant impact.

If you call behind a letter it will increase the yield of that letter by 30 to 100%.

If you're dealing with any kind of a product or service or customer profile that is very profitable or highly repetitive and getting them started is meaningful, telemarketing behind a sales letter is a remarkably powerful tool.

Why? Did you ever get a letter in the mail that had something of interest for you, but you put it aside, cut out a coupon, wrote down a number you were going to call but never got around to doing it, or you lost it at your home or office or your car? Something you actually were interested in but you never got around to it?

If the right attitude person called you up and said:

"Mr. Abraham, I'm calling because we sent you a letter. It offered the opportunity to take advantage of our service free of risk and you didn't respond. I'm calling not to try to sell you, but just to make sure you got the letter and that you understood what the offer was... that you understood its benefit, that you understood that we guarantee your satisfaction.

"We know you have to have a minimum expectation, and here's what we think would happen. My job is to make sure you got it and if you had any questions, answer them. If you got it and you're not interested, I should excuse myself. If you didn't get it, I need to make sure you know about it and that you're extended the opportunity."

It's not terribly repulsive, is it? But that's dynamic.

We had a client one time that was in the software business. They sold software to school systems around the United States. They did it strictly with direct letters, sales letters. They tried telephone selling by itself and it didn't work.

Then they sent out a letter and the letter worked pretty well, but not great. Then at my direction they called behind that letter and they got a thousand percent increase — ten times more sales after the letter went out just by calling behind. Clarifying, following up, verifying... and they said that approximately half of the people they talked to never got the letter.

But to the half of the people who got it, it was credible. The sales letter has credibility. It's substantial, it sets the pace. It credentializes and gives integrity to the call. Does that make sense?

Telephone marketing in a very qualitative, honorable and professional way is probably the most powerful tool you have. You can use it concurrently in about three or four different applications.

If you don't use it at all, shame on you. If you use it one way, that's not optimizing. You should be using it to prospect. You should be using it to upgrade. You should be using it to keep in touch with your good customers.

You should be using it to do sales liaison between calls from your sales force. You should be using it for lead generation. You should be using it to penetrate markets and sell products that don't justify having a field sales force — and everything in between.

Whether it's a follow-up call, a cold call, or a lead-generating call, the importance of telemarketing is extraordinary

Different variations of telemarketing can be applied to achieve the following:

- Telemarketing for Direct Product Sales
- Telemarketing for Lead Generation

- Telemarketing for Conversion of Inbound Inquires to Sales
- Telemarketing for Reactivating Dormant Accounts
- Telemarketing for Cross-Selling
- Telemarketing for Conducting Market Research

Maximize Telemarketing With Frequency and Consistency

So you probably understand the importance of telemarketing and following through, but what kind of schedule or procedure should you follow? Use a combination of call/letter/call/letter/call, a sequence that is well-honed and well-quantified, to put the ball over the line.

Q: How can I reduce the number of times my telemarketers are cut short or hung up on?

We've all probably cut short or hung up on a telemarketer or two in our lifetime. So what can you do to have your telemarketers more likely be listened to?

You have less than 30 seconds to convince the customer to listen to you. So your callers need to develop a powerful opening statement that'll get the listeners' interest.

But while the statement needs be interesting, unique and attention-getting, it also must also convey three important facts: Who you are, what you want, and why you're calling. Have your caller follow these steps:

First, state his or her name and company name clearly, then tell the person how their name was obtained. Then give the potential customer an important benefit of the product or service, followed by an example.

Always have them ask at that point for the prospect's time. The caller can then begin to ask questions to begin to qualify the prospect.

First, your caller should be friendly, not bored-sounding or reading from a script, over the phone. Keep your telemarketers' attitudes optimistic. The caller should always be prepared with a full understanding of the produce [or service] so that any questions can be answered immediately and correctly.

By following these steps, the prospect should be more receptive to your offer.

Telephone Selling Behind Sales Letters

If you send letters out to people you should know this: today more than ever before, people don't directly respond to letters.

Some of them don't even read them.

A lot of people read them and they're favorably impressed, but not compelled enough to pick up the phone and take action ... or to get in their car and go somewhere. That in no way, shape or form means they're not ready to do more; they've just not compelled on their own volition to initiate action.

If you follow up on the phone call, not in an invasive and hyperbolic method, but in a very curious, in a very powerful consultative and advisory follow-up method, there is an enormously higher incidence of people responsively and favorably and successfully responding to what you want them to do.

In other words, when you send a letter asking someone to take action, a far lesser number will than if you send a letter, wait a few days and then start methodically going behind it with a telephone call that either you or one of your staff or as a team of telemarketers generate, where they call and they lead people.

Ask them questions like:

"I'm following up to make sure you got the letter we sent because we're concerned about the mail. Number one, if you did, did you understand that it said such and such and such? Number two, if you did and you understood that, were you motivated to take action?"

If you didn't get motivated, did you at least realize that this and this and this is a benefit to you, or that you may be suffering from this and this and this? And that this is a perfect way to find out or to protect yourself or to solve it? And that you can try it out or you can put it to the test or you can come and get a free review without risk or without obligation?"

If you start doing that, you will not believe the difference it will make in your closures and your sales.

Never Rule Out Telemarketing

After a mailing to your current or past customers — or to people who are prospective customers — follow up with an informational phone call. Why?

Because a telemarketing follow-up will improve your total sales results by as much as 1,000%!

I know. Many people don't like telemarketing. It conjures up memories of family dinners interrupted by a phone call. Or, it evokes repugnant visions of sleazy scam artists operating out of high-pressure "boiler rooms" somewhere in the Caribbean. Or, it's ruled out in the misguided belief that you have to be a BIG company to telemarket.

Don't you believe any of those myths. Telemarketing fits enterprises of any size and can be one of the noblest services that you can render to your customers or clients-as well as a bona fide generator of new sales and new profits.

Calling customers (or inviting them to call you through a P.S. in your sales letter) is a wonderfully easy way to show sincere interest and the desire to benefit your clientele.

Meld Telemarketing To Your Operation

Telemarketing is the closest thing to eye-to-eye selling that you'll find.

It's economically feasible to use in selling your product or service — whether you already have a sales force or not. It's also a wonderful way to add as many dimensions to your business as you want.

Marketing is a very personal medium that allows you to ‘de-program’ your customers or prospects and treat them as the individuals they long to be treated as.

Uses and Applications for Telemarketing

Let me give you some examples of the variety of uses of the telephone as it applies to marketing so you can see how to adapt it to your own operation. Please keep in mind that when I talk about telemarketing, I’m talking about the honest legitimate and professional use of the telephone to enhance your customer base and relationship.

I’m not talking about “boiler-room” or “bucket shop” tactics designed to deceive and fleece the public. So keep an open mind. Consider the fact that telemarketing represents a \$20-billion-a-year industry.

Make Direct Sales

“Cold canvass” prospects who may be interested in your product or service. Solicit business from customers or prospects who have indicated a real interest in your offer (through previous contacts or inquiries).

Schedule Sales Appointments

Screen and pre-qualify prospects who are favorably disposed toward your product or service and want to be called on. (I’ll give you some specifics later on how this can multiply the effectiveness of your salespeople.)

Lead Generation

Use the telephone as a prospecting tool to zero in on eligible candidates for your offer. And then, follow up with a specific offer.

Renew Accounts

Multiply repeat sales to active customers, and renew old accounts. Use this strategy in addition to normal efforts when they’ve been maximized.

Marginal Accounts

Contact customers by telephone when the sale is too small to warrant a personal call by you or your salespeople.

Upsell

Turn marginal sales or customers into active, profitable ones. Often, the best time to upsell someone is right after you've sold them the initial product

Follow-Up Mailings

Follow up your mailing with a personal call. It's a great way to enhance the response to your mailing.

Studies have shown that the closing ratio is phenomenally higher than with just a letter alone. If your mailing lists don't have phone numbers, you can get them. To a large degree, telemarketing efforts are only as good as the lists you use.

Joint Ventures

After you've worked your prospects or customers for all they're worth, you can joint venture with a competitor who offers something you don't and use telemarketing to sell their product to your "dead" prospects.

For example, if you try to telemarket your own product to 2,000 people and get a 5% response (10% is considered optimum by telemarketing pros), that leaves 1,900 unprofitable calls.

Offer those 1,900 people a competitor's product or service that better suits them for whatever reason — cheaper price, more quality, etc. — and take a percentage of the profits (25% to 75%, depending on what you contribute).

Either contact the people for your competitor or have them do it or farm it out. More on joint ventures later. But it's worth mentioning here because it is such a viable way to do joint ventures.

Validate Orders

Monitor telephone or other sales offers by validating orders before they're fulfilled.

Survey Your Market

Get a grip on what your audience wants without ever leaving your home base. Conduct studies by phone.

New Accounts/Collections

Use telemarketing as a cost-effective way to open new accounts or to encourage payment of accounts that are past due.

Customer Communication

Stay in touch with those who do business with you. Toll-free numbers encourage active contact from your clients or customers. Use them so customers can easily check on sales, billing, and shipping.

As with all profitable ventures, adding or updating telemarketing within your firm requires some very fundamental steps to make it run smoothly and profitably. But one out of 1,000 business owners has taken the time to think them through.

I've outlined these steps below — and added comments — so you can see at a glance how you can use them to achieve greater and better use of the telephone in your business.

Analyze Your Firm's Image

It must be favorable. If it's not, improve it to the point where it is. That includes all of the following:

- Physical Appearance
 - Is every employee neat? Personable?
 - Is your building well kept? Is it situated in a good location?

- Policies
 - Quality Standards (Above average? Or below?)
 - Advertising (Is your USP stated? Do you have a call for action?)
 - Guarantee(s) (Is the risk transferred to you?)
 - Sales Method(s) (What percentage is direct response?)
 - Compensation (Does it correspond with performance?)

- Product or Service
 - Price
 - Quality
 - Style

- Service
- Competition
- Uniqueness

- Patronage
 - Repeat customers: What percent of sales? What is their average purchase? Do you maintain lists?)
 - One-time buyers (Same as above.)
 - Big-ticket buyers (How an they treated?)
 - Socio-economic status (White or blue collar?)
 - Sales response (Number/percent replies? How can that be improved?)

It's been proven beyond a shadow of a doubt — the marketing of any product or service is easier and more successful once you created an image in the mind of your audience that's favorable, quickly recognized and able to motivate people to patronize you without questioning your integrity, quality, price, guarantee, service or anything else about your business. Nowhere is this more true than in direct-response marketing.

If any of these areas are lacking in your business, you can use the telephone to fix them — quickly and efficiently. How? Simply by calling your customers or prospects and communicating any changes you make in the above area. Also, give updates on quality, service, price, etc.

Re-Examine Your Pricing

Is your price competitive? Below market? Above market?

Whatever the answer, it's worth your time to check industry and local prices. If your prices are above the market what compensating factor(s) do YOU offer to offset that price? Quality? Convenience? Service? Selection?

Document the results of your analysis with positive, believable statements that will convince people to patronize you. Make that part of your telephone message.

If your price is lower, justify and explain why it's lower. That too, should be part of your telephone message. Otherwise it won't mean anything.

For example, if you own a furniture company, your prices might be lower because you're a volume dealer... or a sole proprietor with low overhead... or because you have Class AAA customers with no losses... or you make special buys direct from the manufacturer... or you make a fair profit — even at these low, low prices.

Your objective in establishing a low-price policy is to create the impression that “Others sell fine furniture. We simply sell it for less.” Or, “No matter what the item our prices are still lower than anyone else's.”

You can even sell the idea of low price without even mentioning the actual price. But remember, price alone is not the only appeal that will motivate people to patronize you. Any one or combination of the other factors I mentioned — service, quality, etc. — can all be powerful ammunition on the telephone.

Remember, too, analyze your offers carefully and hone in on the strongest ones that make you different, bigger, better. It's particularly important in telemarketing, because few products or services can pay the total cost for it from the profit generated on the first sale. It must have a cumulative effect on your audience.

It must radiate to friends of those you sell. It must firmly plant your firm's product or service in people's minds so they call you the very next time they need your product or service.

They'll do this when they know your prices are as low — or lower — than anyone else's... or your service is better... or your quality is better... or that you stand unconditionally behind what you sell or service — or any combination. But you must indelibly stamp your offer in the public's mind.

Organize Your Activity

- Supply all the necessary equipment
- Recruit personnel to implement your telemarketing program.
- Develop detailed forms to record telephone responses so you can gauge your efforts.

- Schedule uninterrupted time for making calls. There is no best time for doing this; you'll just have to experiment. Some people like the morning. Others like noon. Still others like the evening.

Delegate Tasks

Assign specific functions to your employees and salespeople. Also, give instructions to your telemarketing people if you have this handled outside your office.

Follow through in an orderly, predetermined fashion on every phase of all the telemarketing methods you employ.

Make sure everyone has a clear understanding of their assignment and what's expected of them. Too much detailed record-keeping required of telephone salespeople will reduce productivity, but some is essential. Remember, you want to keep the forms short and simple.

Supervise

Spend whatever time is necessary to oversee your telephone operation. If you don't have the time, use a telemarketing firm. Just be sure any changes in your message or procedure are made with your full knowledge, approval and understanding. After all, it's your business and reputation that's at stake.

Should You Undertake Telemarketing?

By this time you're probably wondering whether you should undertake telemarketing at all. And if so, should you handle it or contract someone else to do it? Answer the following questions, and you'll know immediately whether telemarketing is for you.

- What goals have you established, in writing for your business?
- How can you blend more and better use of the telephone into your present operation to reach these goals?
- Do you have any experience that would lend itself to telemarketing?

- Do you have the time or personnel to create and implement a telemarketing program? Can you or your personnel teach others to do it — including recruiting and training them, perfecting the message, motivating and supervising?
- What type of equipment will you use? How many phone lines? Will you use 800 number(s)?
- When is the best time to call your prospects or customers? And where — at home or work? Do you have phone lists? Where can you get them?
- How long will the campaign run?
- Should you have all this done outside your own place of business?
- 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 as you do in face-to-face sales, which is about 70% non-verbal, so details like tone of voice and rate of speech are critical. Match your voice inflections and speed with the other person's. And believe it or not — try smiling!
2. You've got to get through to the right person — the one who makes the buying decision. Expect to be confronted, first, by many good 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 comprehends everything you're saying. Keep injecting, "Am I making myself clear?" "Does this make sense to you?" "Don't you agree?"
6. Don't try to sell anything that's very complicated over the telephone. Keep it simple or else set up an appointment
7. Ask for action. Offer a choice between two alternatives. Anticipate objections. Make it easy to say "yes" and virtually impossible 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.

Check Up On Your Telemarketers

That's a very difficult thing to do consistently, and yet that one subtle change in your strategic focus, in your philosophy, in your mindset will normally produce some incredible — almost inexplicable, to you — growth and success and feedback and loyalties.

What if you call your company and you get hung up on three times in succession? Or you've got a problem and you basically treat it in a condescending way? Or you've got a return or you've got a billing question?

Or the salesman uses a pitch that you've given him that makes you liable for Federal Securities charges, and you've told him under no circumstances to do this... and he's called three people with this pitch, and they all use it on you? All of those things can happen.

It's just good to know. And doing it intermittently... You've got to do it regularly. You've got to do it consistently. It's got to be part of the strategic systematic approach you take to doing business if you want to be an optimum marketer. If you want to optimize the investment, psychic and financial, that you make in your business. You have to do it regularly.

And interestingly enough, if your company knows you're systematically going to do that, in the back of their minds every time they talk to a customer, they could be talking to you. So your staff has an implicit discipline. It's a random interval thing. They never know.

A lot of people have a procedure to have certain of their key people deal with the public from time to time who normally wouldn't. For example, they make their accounting department or their billing department go out on sales calls with the customers, because it totally changes their focus.

They do everything. They go out and they learn the other side so they have a much more empathic understanding, so they can acknowledge and appreciate. Every time I have a problem, I try to relate it to something I might have done to somebody else, and it makes me think not only what they could do to me, but how I'd better make sure I make a change in my organization. You should do that too.

When I first started doing training, one of the things I'd do is call up a company and record the conversation. If it was lousy, I'd call the manager up and I'd say, "I've got something for you to listen to." And I'd send them the tape. It was the most profound insight for him, and it was easy for me to teach them how to handle incoming calls.

One thing I've found very effective is, I have my wife call the office every now and then, and you'd be amazed at how they get critiqued when I get home!

Sometimes you can't do that, for whatever reason. **Somebody you trust who's consistent should make the call. And you should take that critique in the spirit that it's rendered. A lot of us don't take constructive criticism very well.**

You can be so diluted by the totality of what you're doing that you don't break it and analyze it and make every part justify its existence. When you start doing that ... when you start realizing what it costs you to not be that exacting...

I guess it comes down to the concept of holding yourself and your business to a higher standard. If you don't do that, it costs you a fortune when everything falls through the cracks.

It's atrocious, and it's profound, and it's embarrassing, and it's saddening how much all of us let fall through the cracks because we've never thought about it.

What Kind Of Product Or Service Lends Itself To Telemarketing?

The answer has three parts:

1. It should be a unit with a high price.
2. There should be enough mark-up in it to pay the telemarketers a good commission.
3. After all expenses are taken out there should be a healthy profit left.

Qualify Your Telemarketing Prospects

In other words, you aren't going to have much success telemarketing a \$19 item. Of course, if it's one of many items, (from a catalog, for example) 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.

Don't 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, with 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.

Set Up Mail Before Calling

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 then 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 the customer or prospect can call in to you for more information or to order. You can let your telemarketers handle these 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.

How To Hire Telemarketers

Once you've run 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, lure and fire almost constantly if you wish to build a highly professional sales staff.

Two-Tier Calling Can Qualify Interested Parties

Some telemarketing companies have two tiers of callers. The first call tier calls 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.

Keep The Telemarketers On The Phone

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 slough 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.

Monitor What Telemarketers Say

You also need to monitor what your telemarketers say. You must make sure they do not make insupportable claims or lie to the prospect. Most companies use a script and make everyone follows 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 it work in the most efficient manner. Follow this advice and you can make it work for you.

There's one telemarketing company that runs entirely differently than picking up the phone and making a few sales calls, 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 my perspective.

You Have About 30 Seconds To Appeal

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.

Learn To Ask Questions — It's The Best Way To Sell

Learn to ask questions as you talk to prospects. It's the best way to sell. Keep the following points in mind as you refine your telephone skills:

- Develop a plan. Before placing a call, be aware of exactly what it is you want to learn before the call is over.
- Prepare a list of topics to cover. Have a specific question under each topic.
- Ask permission. It's common courtesy to ask the customer's permission to ask questions.
- Time questions properly. Avoid making your presentation sound like an interrogation.
- 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.
- Build upon previous answers. Your feedback shows the prospect that you're listening.

- 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.
- 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.
- Be relaxed and conversational. Always let the prospect finish. Listen carefully.
- Put yourself same emotional state and frame of mind you want your customer to be in when they decide to buy. Be interested, sincere, and respectful.
- Deal with objections and rejections in advance, anticipate your response and develop a positive mindset towards any objection or rejection.
- Build rapport by consciously matching tempo, volume, and predicate words.
- Test your scripts and openings — they're just like headlines and copy.

A "Service" Call Is A Good Introduction

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

- 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).
- Use the telephone to follow up mailings to selected prospects. Follow up by telephone to make appointments or sales.
- 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.

- Be an interested and knowledgeable person.
- Communicate to the prospect that you understand their needs and problems.
- Let them know you have solutions for them.

- Create a mutually convenient appointment time, in person or by phone.

How To Respond To A Prospect Who Writes

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 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 could mutually discuss her carpet needs. To do that she has to feel 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.

Using The Telephone To Follow Up Leads

- 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!

- 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.
- 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.

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.

Here are some specific applications of telemarketing and an illustration of the special skills unique to that application:

DIRECT PRODUCT SALES

- Objective: Selling a product or service over the telephone using an outbound telemarketing effort that works from business to business or business to consumer.
- Method: Making outbound calls to a selected list of prospects or active leads to the product being sold.
- Skills Emphasis: Presenting product benefits to get the buyer's attention, listening to the customer's response, recognizing buying signals or objections, dealing with the customer's response and closing the sale.
- Examples: Selling dealer kits and various low-cost items to prospective dealers and V.A.R.S.

LEAD GENERATION

- Objective: Prospecting for new leads using a targeted list of prospective buyers of the product or a list of qualifying leads generated by referrals, conventions or product shows.
- Method: Making outbound calls to a list of qualified sales interest before follow-up.
- Example: Calling a list of people who attend a convention on methods of creating unique database projects to generate interest in a new, special-application software and to set up an appointment for a demonstration with one of our resellers.

CONVERSION OF INBOUND INQUIRES TO SALES

- Objectives: Turning inbound inquires or orders received by customer service to sales.
- Method: Training customer service reps to acquire enough product knowledge to cross-sell or add-on to the products a customer already has.
- Skills Emphasis: Satisfying the customer inquiry, and then asking closed-ended questions to reveal an additional need that can be satisfied by the company's products, presenting product benefits, recognizing buying signals and closing the sale.
- Example: Converting calls coming into the customer service center that is set up for user inquiries. An 800 number is listed in the descriptive information that accompanies the software. The customer service rep answers the questions and then asks if the customer has tried a new product the company has just introduced. If the customer hasn't tried it, the rep describes the benefits, the customer agrees to buy, and a sale has been added on to a customer service call.

REACTIVATION OF DORMANT ACCOUNTS

- Objective: Reestablish contact with customers who have not bought anything from the company in a given amount of time.

- Method: Calling a list of dormant accounts to stimulate interest and regenerate sales activity.
- Skills Emphasis: Asking open-ended questions to determine the customer's attitude toward the company and uncover any objections, handling objections, presenting product benefits, recognizing buying signals and closing the sale.
- Example: Contact former customers who have stopped buying service and telephone support. Determine the reason their account has become dormant (usually it's user personnel turnover, or there's been a customer service problem). Callers then question customers to determine their attitude and offer an incentive or new product to reactivate the account.

CROSS SELLING

- Objective: Introducing a new product to a group of buy related products.
- Method: Calling a group of customers who buy products that are related to the product being introduced in the sales effort.
- Skills Emphasis: Presenting product benefits related to the customer's needs, recognizing buying signals, and closing the sale (establishing need for the product at the outset of the call is unnecessary because need has already been proven by the customer's purchase of related product).

MARKET RESEARCH

- Objective: Testing the market response to a new product by asking a select group of customers key questions.
- Method: Structuring a telephone survey to obtain a measurable response.
- Skills Emphasis: Asking open-ended questions, listening to the customer's response and recording responses.
- Example: Getting information from the users of a particular data base system. Microrim wants to upgrade the system and improve some of its features to get a better share of the competitive market.

Callers contact current users and ask them questions about the operation of the system, what they like and dislike about it and what they would like to see improved. A combination of open- and close-ended questions is used to structure user's answers, putting them into a format that allows response to be measured.

INBOUND "800" NUMBER DIRECT RESPONSE

- Objective: Promoting incoming sales call using an advertised 800 number.
- Method: Advertising products and encouraging response to a free 800 number via telephone, radio, print or catalogs.
- Skills Emphasis: Listening to determine customer's needs and asking closed-ended questions to elicit additional needs that will add another sale onto the order.

SUBSCRIPTION RENEWALS

- Objective: People who have cancelled Customer Support programs to renew or repurchase.
- Method: Calling customers who have cancelled their subscriptions within a month after cancellation and encouraging them to renew by offering a premium or special incentive.
- Skills Emphasis: Dealing with the customer's response (his or her reason for canceling), and presenting product benefits while offering a discount or premium as a major benefit of renewal.

Appraising Your Telephone Skills

On the left-hand side of each question below, indicate your answer with a rating from 1 to 5.

SCALE. <— Usually 1 2 3 4 5 Seldom—>

- Do you have a friendly attitude toward the caller? (Are you helpful and interested rather than uninterested and preoccupied?)

- When the nature of the contact requires you to provide information or an explanation, is it given completely as well as clearly?
- Do you use computer jargon, slang or phrases?
- Are you attentive to the caller's statements?
- Do you apologize when necessary?
- Do you express your willingness to help the caller?
- Do you express appreciation, concern, or regret where it is appropriate to do so?
- Do you acknowledge your caller immediately with an appropriate statement?
- Does the caller seem to have confidence your willingness and ability to help them?
- Do you interrupt your contact or refuse to give way when you are interrupted by them?
- When using the telephone, do you answer quickly, and identify yourself and/or the department?
- Do you keep paper and pencil handy?
- Do you transfer calls thoughtfully?
- Do you wait for the other party to hang-up first, and return the receiver gently and securely?
- Do you respond appropriately to a caller's "thank you" or other closing statements?
- Are the final arrangements clear?

- Do you follow up promptly and appropriately?
- Are you patient and understanding with stressful or angry callers?

Using Predicates in Telemarketing

Predicates are the process words (verbs, adverbs, adjectives) which people use in their communication to represent their experiences internally, either visually, auditorially or kinesthetically.

The following section gives predicate words and phrases that telemarketers can use to enhance and incorporate into their conversation to appeal to prospects with a visual, auditory, kinesthetic, or unspecified orientation:

A List of Predicate Words for Your Reference

Visual	Auditory	Kinesthetic	Unspecified
See	Hear	Feel	Sense
Look	Listen	Touch	Experience
View	Sound(s)	Grasp	Understand
Appear	Make music	Get hold of	Think
Show	Harmonize	Slip through	Learn
Dawn	Tune in/out	Catch on	Process
Reveal	Be all ears	Tap into	Decide
Envision	Ring a bell	Make contact	Motivate
Illuminate	Silence	Throw out	Consider
Twinkle	Be heard	Turn around	Change
Clear	Resonate	Hard	Perceive

Chapter Four: Telemarketing

Foggy	Deaf	Unfeeling	insensitive
Focused	Mellifluous	Concrete	Distinct
Hazy	Dissonance	Scrape	Conceive
Sparkling	Attune	Unbudging	Be conscious
Crystal clear	Overtones	Get a handle	Know
Flash	Unhearing	Solid	Realize
Imagine	Question	Suffering	Ascertain
		Drive	

A List of Predicate Phrases for Your Reference

Visual	Auditory	Kinesthetic
An eyeful Appears to me Beyond a shadow of a doubt Bird's eye view Catch a glimpse of Clear cut Dim view	Afterthought Blabber-mouth Clear as a bell Clearly expressed Call on Describe in detail Earful Express yourself	All washed up Boils down to Chip off the old block Come to grips with Control yourself Cool/calm/collected Firm foundations Floating on thin air
Visual	Auditory	Kinesthetic
Eye to eye Flashed on Get a perspective on	Give an account of Give me your ear Grant an audience	Floating on thin air Get a handle on Get a load of this

Get a scope on	Hear voices	Get in touch with
Hazy idea	Hidden message	Get the drift of
Horse of a different color	Hold your tongue	Get your goat
In light of	Idle talk	Hand-in-hand
In person	Inquire into	Hang in there
In view of	Key-note speaker	Heated argument
Looks like	Loud and clear	Hold it!
Make a scene	Manner of speaking	Hold on!
Mental image	Pay attention to	Hot head
Mental picture	Power of speech	Keep your shirt on!
Mind's eye	Purrs like a kitten	Know-how
Naked eye	Outspoken	Lay cards on table
Paint a picture	Rap session	Light-headed
Photographic memory	Rings a bell	Moment of panic
Plainly see	State your purpose	Not following you
VISUAL (see)	Tattle tale	Pain-in-the-neck
Pretty as a picture	To tell the truth	Pull some strings
See to it	Tongue-tied	Sharp as a tack
Shortsighted	Tuned in/tuned out	Slipped my mind
Showing off	Unheard of	Smooth operator
Sight for sore eyes	Utterly	So-so
Staring off into space	Voiced an opinion	Start from scratch
Take a peek	Well informed	Stiff upper lip
Tunnel vision	Within hearing range	
Under your nose	Word for word	
	Underhanded	

Telemarketing is the most difficult job in marketing because consumers have an inherent repugnance for it. It's best used under the auspices of service to your customers or people you invite to inquire.

I use telemarketing most effectively when people call in to talk to some knowledgeable person — in-calling as opposed to out-calling. It's a wonderful way to up-sell.

Telephone Testing

An even faster, cheaper and sometimes more informative alternative is to pre-test by telephone. Rent lists of people's names with their phone numbers. Split the list in two and pitch both versions of your ad, one to each group of names. Examine the results.

One valuable benefit of telephone pre-testing is feedback by talking directly to the prospects, you can instantly identify the problems in your presentation-and correct them and re-test-before buying the ad.

Telemarketing Follow-Up

Quite frankly, I have come to the belief that mailing promotions by themselves are only fractionally as profitable as a mail and telephone follow-up. Why? Simple. It's normally only the very motivated people who respond by mail.

An enormous segment of your potential market is impactable, but needs more interactive inducement from you than your mail allows. They need you to get someone to call them and to follow up on the letter you've sent them. If they didn't respond to your mailing, that in no way, shape, or size is indicative that they aren't interested in your product or service. It simply means one of two things.

Number one, your mailing piece didn't answer enough questions, or focus enough on their individual interests, or provide adequate inducement to compel the prospect to act immediately.

Or two, the prospect was motivated, but for some reason procrastinated or outright lost the ordering information or the promotional material that would have induced them to go to your store or call your salespeople. Instead, they got distracted by something and never came back to your proposition.

Anyway, it's always more successful to follow up by telephone whenever you send out any promotional mailing. Have your staff divide up your customers or prospects by either those that they have the best rapport with, or randomly, and follow up.

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 the mailing.

Recently, I used telephone follow-up to make an extra \$80,000 on a promotion I thought was dead. How much you make depends on a lot of variables. But one thing is certain — if you follow up on mailings, you'll double, triple, and in a surprisingly large number of cases, improve by 10 times the response and the profits that promotion will make.

In more than a few cases, when a client thought their mailing was unsuccessful, I got them to perform telephone follow-up on their customers, and turned disaster into wonderful success.

One important thing: When you follow up a mailing by phone, make sure whoever performs the telemarketing spends plenty of time leading and educating the customer and drawing out any involved negatives, questions, or non-verbalized reticence the customer may be harboring.

You'll find to your delight that if you do spend adequate time and prompt the customer to action in an unassuming but authoritative way, you'll start increasing results by multiples of 100% or more.

If you ask correct questions, you'll come up with dozens of useful points, copy phrases, and observations that you have overlooked that you can now start reincorporating into future mailings and advertisings you send out or publish. It will make them more powerful. Follow up every mailing you do. I think you'll be vividly and profitably impressed with the results.

Examples Of Telemarketing In Action

But don't take my word for it! Here are some examples of clients of mine who have uncovered more profit, opened new markets, and found great success through telemarketing:

Service Company

We clean beer lines and cooler coils in hotels. We used to do a lot of calls cold, where we would go out and knock on doors. We were getting about an 80% knock back. (They were too busy, etc.) We now do all of our appointments for demonstrations by telemarketing.

We've got a 99% success rate.

We tell them we have a new service to clean their beer lines that has been recommended by the breweries, and that we would like to come out and demonstrate this service to them free of charge. We carry out the demonstration and within 48 hours (we've found that this is critical) we ring them back. It's a double telephone call.

We also do a bacterial count when we do the clean. It takes 48 hours to incubate, and as soon as we have the count we call them back.

We ask them if they were satisfied with the service and we tell them what the result of the bacterial count was and ask them if they would like to book a clean. Out of the demonstrations that we do we get a 65 to 70% acceptance rate.

Investment Broker

Our way of telemarketing is we've got two shifts of thirty telemarketers, so we run 60 telemarketers after we've bought the lists. We then direct mail out to the people who say they're coming to our seminars.

Once we get that done, we then telemarket and confirm again they're coming to our seminars. Then we send out our sales people, who organize their financing, organize their stats, and confirm that they can buy investment property from us. Then we have our salespeople actually sell them a property.

The lesson we've learned is to keep training your telemarketers, and make sure they're focused and just work the numbers. Make sure they work on the script that we give them. Continually work on the script and know what they're talking about.

The key element in the script itself is basically finding out what the people want and showing them they need something which they don't know about.

Just to give you an idea, our clients are probably between the ages of 30 and 45. Working class to upper middle class who pay about \$300 a week tax. We show them how to save tax and gain capital growth for long-term future.

Industrial Sales

I market industrial robots by phone; most of the company's actual marketing is by phone. They range from about 200 to about 1.5 million.

Basically, I telemarket from my spare bedroom. I've sold about three and a half million dollars in the last twelve months. I don't keep the robots in stock or anything. I've actually had the agency for all of Australia for a New Zealand-based company. All of my competitors have offices with either ten, fifteen, twenty people. They have three or four people in all the different states.

I have me, and now I've got another person on the phone, instead of spending money on trade shows or going to all of the trade magazines, which all of my competitors do.

I get on the phone to every manufacturer. I ring every production manager to start with. We have a "pick and post" robot, so it picks up an individual production line and puts it on a pallet. So I find out how many production lines they have, how quickly products come off their line, how many shifts they work, how many people actually do the job, find out all of those details.

They answer because I'm asking. Because there's no other reason, nobody really says they can't do it unless they don't have time and if they don't have time they tell me when's the best time to ring.

I have a whole database of exactly what every manufacturing company does. Every three months I keep finding out more (about the industry) because there are a lot of acquisitions. So often, one company will buy another company, and now they move the manufacturing plant to one or the other.

So when there used to be a one-shift operation that couldn't afford my robot, now there are two or three operations, and of course they can afford it. So in a lot of those areas, that's how I do business.

The lesson I've learned is that there is one disadvantage, in that if one company hasn't heard of us, we have over 60 of the robots out there — we have a lot of installations. So if a company hasn't heard of us, it takes a little bit of convincing because they haven't seen us in the

trade publications or the trade shows. There's a status thing there that you've got to work over that barrier.

The positive is the fact that I can get more done, I know more about what's going on out in the marketplace than if I spend ten thousand dollars out in advertising or if I spent sixty or seventy thousand dollars getting a robot from New Zealand over into a trade show and then working like a dog for three days, which I'm not very good at doing. So it's high leverage.

Consultant — Market Research

I have a small consultancy called "Market Search." I wouldn't have a client today unless I'd picked up a telephone four and a half or five years ago.

I had to give up the industry I'd been working in, specializing in banking and finance after the stock market crash. I now specialize in market research, and we hold the position nationally in recruiting staff, in that area.

There are several things I do before I actually get on the telephone to them. One is to research the company I'm ringing. Obviously I get to the decision-maker. If this means something has occurred financially... the business beforehand might have been in the financial review or I might know about staff increases or layoffs or whatever. So I've got a little bit of knowledge before I actually talk to the person that I'm directing my conversation to.

My next aim is to get in the door. And once I get my first assignment, hopefully it's a long-term assignment.

Prospects can only say no, and that's very rare. I guess they may say no initially to an interview, but we do persist. We stay in touch and we gradually establish a relationship with them. So I guess from my point of view, it's establishing the relationship, and persistence pays off.

Negotiation Trainer

I have a very simple and effective negotiation program that can produce amazing results for lots of organizations and I'd like to do it for their organization. And then I just shut up and I listen. Listening is a very important skill.

All I'm interested in doing is not selling them anything over the phone except getting out into their office to meet them. The first thing I wanted to share with you is that you've really got to have a passion for doing telemarketing because it's very difficult.

Because if you haven't got the passion you send the wrong message down the telephone lines because you send them mixed tonalities, you send them poor body language. And body language goes down the phone.

Investment Real Estate

I've done quite a bit of training with telemarketing over the years. I've been in the field for about eight years. One of the things is the physics of telemarketing, which a lot of people don't actually realize, which is how people realize whether you've got a cold or if you're happy or sad.

If I went up and stuck my mouth in your ear, that's about as close as you actually are to that person. So that's how they can tell if you're on or off or whether you're excited or not excited and why if you don't keep that attitudinal peak or give your marketers rest periods to average out at least above average peak attitudinal level once they're on the phone, I mean I've got my mouth in your ear and literally that's as close as I am to you.

That's why silence is so effective. If I had my mouth in your ear and I wasn't saying anything, you'd feel uncomfortable. And that's why it's the physic thing.

Anybody who starts out telemarketing, anybody who's got a script — the worst thing a person can do is have a person in front of a telephone reading from a script. It will turn people off.

You've got to get somebody who learns what's in the script, put it into their own words and deliver it without sitting there reading it. If they can't, it's no use having them on the phone; it will lose you business.

School

I work at telemarketing at my school and they just started last year. This year we have more freshmen than we have sophomores, juniors and seniors combined. And they just started calling students after they send them out a letter.

Mail Order Company

We just actually made a mistake in a mailing strategy because we mailed a little too soon. We mailed a group of lists, prospect lists. Three weeks later we mailed the same exact group the same product and offer. The copy was different because that's what I was trying to test. And we got 65% on the response that we got three weeks earlier, which was kind of amazing to me because I was expecting 45 or 50 that fast. So that definitely works.

The test was supposed to be set up to mail a little later but they were very efficient that time and mailed too soon. The response would have been better if we had waited.

That was a change for us. We did a mailing on a more expensive product for us in the \$150 range. The mailing pulled tremendously well. But then we decided it pulled so well that we were going to follow up with telemarketing.

And we're getting about a 6% response on the first mailing... and now we're getting about a 10% response on the telemarketing follow-up of the people who are left, which surprised the hell out of us. It's the kind of business where you're learning something every day.

Quite compelling success stories, right?

Remember, if you're doing telemarketing, you've got to have a system laid out and you've got to ring back. If you wait any more than 48 hours, you've lost the customer.

By the way, I read a survey about a year ago. They'd done a really interesting analysis of the higher ticket, more conceptual product and service sales that were going on in America and they found that the average high ticket ones required, as I recall, seven calls, visits, letters — seven combinations before anyone said “Yes.”

A lot of people give up prematurely. A lot of people wait for the customer to call. But you've got to make it happen — not because people aren't interested, but because in today's frenetic, high pressure, convoluted, over-demanding world of business or personal lives, people have so many things prevailing on them that taking initiative is very hard to do.

I have money invested with a broker and I'm not even available to him. The last four times he's tried to meet and tell me how my money's performing, I haven't had time to even sit down with him. I'm sure you can relate to similar things.

You don't have time for things that are important. People are silently begging to be led, as long as you don't take undue advantage of them or compromise their trust... lead them, follow up, guide them, nurture them, because that's how you build a payoff. It's no different than growing a plant, or raising a child, is it?

If your attitude is, "It's only a matter of time before you're going to be a client of mine anyhow, so we might as well get to know each other; I might as well start sharing what I've learned about the industry, and start helping you save money, make more money, be more productive." That's a pretty irresistible approach don't you think? I'd encourage you all to use it because whenever I've used it for clients, it's worked pretty dam well.

You've got to really look at it as three things. Number one, you have this wonderful opportunity, almost like you're a missionary. You have a chance to cultivate new relationships. You have a chance to transfer ideas and knowledge you've discovered. You have a chance to impact and affect and improve or contribute to other companies or human beings.

If you don't have anything beneficial or worthwhile, you're in the wrong business and you should either get out of it or reevaluate how you operate, don't you think? You've got to realize, you've got value and if you don't share it... your customers are being denied a richer outcome in their life or business. People will welcome your calls. If they don't, you need to look at why.

Sometimes people choose the wrong time to ring.

If you're out after Marketing Directors, General Managers... I find that time is absolutely critical. So ring early in the morning or late in the afternoon.

Another overlooked technique is, of course, to listen. The technique in listening is that you ask questions, which invites people to talk. For example, try to limit your closed-ended questions.

A close-ended question is one that asks, "Jay, did you have breakfast this morning?" Instead you should ask, "What did you have for breakfast this morning?" Ask a question that starts with a "what" or a "how" or a "why" or a "when." Now that sounds like a little throw-away idea, but that alone could make a profound difference in the relationship.

About four or five years ago I did a program at the old Sheraton. (I don't know what it is now, but it's not the Sheraton anymore). We flew in. I had my whole family, and we were all juxtapositioned on time. They went to bed, but I couldn't sleep.

The hotel had a concierge floor, and I walked up there to have a drink. There was a spectacular view of the whole world and the harbor, and only one other person in the whole place.

Now, I like people, I'm gregarious, so I walked over, sat down next to him and told him two things about myself. I told him my name, Jay Abraham, and that I was here on business to do a seminar — and that was all I said about myself.

We talked for an hour and a half. I found out from the man that he worked for Shearing Corporation out of Germany; he traveled around the world calling on third world health ministers, advocating and selling Shearing's population control products and services and programs.

I thought that was fascinating, so I asked a battery of questions. I wanted to know what it was like to do that, how he got skilled, what their programs entailed, what it was like trying to get an appointment with a third world health minister, whether they were legitimately interested in the well being of their country people or whether they were on the take.

I wanted to know what happened when there was an anarchy or a change in the guard in politics. I wanted to know when they sold the program, how long it took to sell, what the cost was. I wanted to know what the process of implementing the program was.

I wanted to know what he found universal about the political leaders he called on, whether the people really appreciated him or resented him, whether it worked, whether they followed it, what the impact in the economy and the populous was after they did it for a while.

I wanted to know after I'd exhausted all of those questions what it was like to live in Germany. How he got into the business. What the political climate was. The housing climate, the weather. I wanted to know what he wanted to do when he grew up, because I figured he must have an incredible Rolodex. I just asked him all of these questions. I didn't tell him anything about myself.

After about an hour and a half I was feeling very, very tired. And so I stood up and told him I had to go. I excused myself; I started walking to the door... this guy was a very sophisticated guy, who traveled the world and operated in some very high areas and rubbed

elbows with some very important, prestigious and internationally renowned people. And he stopped me and said, “I’ve got to tell you this.” (Swear to God, this is true) “You are absolutely the most interesting man I have met in the last five years.”

You can appreciate that, can’t you? And I stumbled and staggered in my drunken stupor back to my room and leaned against the door, because I was afraid if it opened, I’d fall in! And I realized at that point that we all make this classic mistake. We all want to be interesting, but the trick to being interesting is very simple. All you have to be is *interested*.

There’s a book that was popular in the states a couple of years ago and I think the title was, “He Who Speaks First Loses.” And that’s a very profound point. Most people do talk too much instead of listening, instead of just being silent.

One of the challenges I can give anybody is how to put the silence factor into direct mail. I tried it one time with a letter that just had two pages of blanks. It actually worked! But it just seemed awkward to me.

Press Releases and Telemarketing

I use telemarketing to back up when I send out press releases. It made a huge difference. It was hard to get a hold of a lot of the editors, but every editor I spoke to had questions for me. I got the feeling they didn’t intend to call me, but I always got placement when I spoke to them.

Think about how many things in your life you don’t act on that you would act on if someone helped make it important or clarify, or if they extended themselves for you. Because maybe you’re even the great beneficiary, but it’s daunting sometimes all of the things we’re expected to do ourselves. It’s a different marketplace for a different environment, different times.

One very important thing to remember in terms of publicity: A lot of people could use publicity very effectively. But publicity only works if people print what you send them. And they want to have somebody to be on the other end. And consistency in telemarketing — you don’t just make a call and wait for them to call you back.

However, one of the things I noticed that some of the slicker PR agencies were doing was calling editors and asking if people had gotten their press releases or their full packet of

information. Virtually every editor I've ever known has much too much mail coming across his desk, so he probably hasn't read three quarters of it and he loses the rest of it.

So they're embarrassed about it and they say, "Well, no I didn't see that." Then they say, "Well, send it again." And when it comes in, it's red-flagged and it's on top of the pile. Have you done that?

I found myself remailing, but one day you wake up and you say, "Why are we remailing this? Why don't we just call them in advance, tell them I sent it and then if they want it, they'll use it?"

How many people here today have something in their business or their personal life that they have been thinking about acquiring or purchasing or committing to? Whether it be to paint the house, buy a carpet, buy a new car, buy a video player, buy a new computer, run an ad for a new staff member or do something.

But it's deferrable, because in the scope of all the diffusing and the diversionary and the mentally oppressive activities, it's just easy to put things off that aren't absolutely essential. But if somebody were to contact you it would be appreciated.

Someone pointed out a statistic that showed in higher tickets, that 80% of the closed sales went to the people who made five or six cumulative telephone follow-ups. Because today I think unintentionally and unbeknownst to us, unconsciously most of us are very reticent to commit to people easily.

We're testing people to see if their stability factor and their integrity are good, and if they walk their walk over the long haul. I don't even think we do it intentionally, but we do it. And I think that it's a very, very key factor.

In a statistical sense direct marketing has become so powerful that the competition for your attention is enormous. So there has to be some way to break through the millions of things asking for your decision.

I think the key to AT&T's success in telemarketing is the fact that you get a group of sales reps on the phone, in a room, excited about a product. The synergy that brings is amazing,

because they all pretty much are saying the same thing. One closes a sale or one gets hot about a sale, that excitement is just... it's really unexplainable.

We have to be effective in gaining the attention of the person who receives that phone call quickly to get quickly to the decision maker without being hung up on, because there are so many people out there.

We have to come up with creative and innovative ways to catch their interest, right off the top. And our best sales people are those who are successful in that first initial contact. But a couple components of telemarketing are not only for outbound telemarketing to follow up on certain direct mail pieces, but also the inbound component. It's a different skill set.

You're more aggressive and think a little more on your feet, so to speak, on the outbound cold call. But inbound is great too, because you've got somebody raising their hand and saying, "Sell me or tell me more."

You can be scripted in that situation and have a lower skill set. But we are doing a lot of things with technology that will help reduce costs as it relates to telemarketing. We're doing things, for example, like giving an information PC where people can call in and get information about your company through the fax, through voice mail, and various other technologies.

Video is coming soon. We're on the front end of the information super highway so you can use communications through telemarketing, even though you're not necessarily talking to a lot of people. You can screen out a lot of the non-interactive questions and then have the flexibility to get to a lot of people. And that's where we're really going right now.

One of the aspects with 800 service is how you can identify how many calls were missed or that got busy signals coming into the local exchange. One of the advantages of an 800 number is that even though you're paying for the call, the price has gone down about 40%. So they're a lot cheaper than you may think they are.

Secondly, you can track your calls. You get a list every month of the number of calls that were missed and also a list of the telephone numbers of the people who actually called you. And that's a nice list to have when you want to follow up.

Perhaps up to a few years ago, when you thought of telemarketing you would think of just getting on the telephone and making a phone call to talk about your product or your service. If you think perhaps, beyond that scope, telemarketing is really marketing your services using telecommunications applications.

And telecommunications has been modernized beyond the telephone alone. So perhaps sending a confirmation letter after someone has purchased your product or service to the client via fax is a reassurance of the product and service they sold. So your client is not going to be stricken by buyer's remorse.

It can also prepare people for the receipt of packages or important documents, a day or two before receipt, with the fax and then afterwards confirming and verifying.

A lot of people who send faxes presume, automatically, that they get received, they get conveyed, they get read, they get impacted. So there's another call you might make: "Did you get the fax?"

Don't believe people automatically do what you think they do. Don't believe that because it's all important to you, it's at all important to them.

But you've got to be very careful, because faxes can be thought of intrusive — particularly when somebody's anticipating getting something. It's a very delicate area. It's very powerful, but it's an easy way to engender somebody's wrath as well as somebody's love. It's got to be done very discretely.

Sometimes you call and you say, "We're going to send you an important fax and we want to make sure somebody's there to receive it. You're not going to get anything else. We won't tie it up." That way when it gets received it gets rushed and hand delivered to Mr. Right.

So you've got to be careful, you've got to qualify.

Nightingale-Conant is beginning to use telemarketing for high-end products. Typically, in the past, their product was \$39, \$49, \$59, but they're now beginning to telemarket \$150, \$200 items. It works extremely well. In fact, a mail piece might pull 2-1/2%. By telemarketing they can now sometimes pull twelve to 15%.

Calling behind telemarketing has enormous flexibility. In this case, we're talking about a 500% differentiation on top of the two, just by difference or increase, just by calling behind.

Telemarketing gives you such a breadth. It can give you access. It can make profit centers available that you never had before.

Everyone should use telemarketing in multiple applications in their business. You can test all kinds of suppositions before you mail them or before you run an ad. You can test headlines, you can test selling approaches, you can use it for generating leads.

It is particularly strong to a captive audience, as a follow-up device, after a direct mailing. It is particularly powerful as a secondary stage after you've gotten a lead. It is so powerful as an adjunct or a lead generating or customer conversion item that it is grievous if you don't use it.

Take a look at these additional ways that companies have applied telemarketing to their business:

Product Sales

When we were seeking out new distributors of our product we'd ask the distributor to give us the name and the telephone number of 1,000 of their accounts. Then we'd take in temporary service people, temps, and we'd have them call as if they were customers to ask if they carried our products.

And as soon as one girl was done that week another temp would come in, she'd call the same 1,000 salons, another girl would come in, she'd call the same 1,000 salons. All of these salons think the consumers are asking for this product, so when the salesman walks in, it's presold.

Mortgage Broker

The nature of the product, the mortgages and the invoices are not well known in the Cleveland area. And as a result a trust relationship has to be build with people. For this product they don't know anything about. They're leery... they think you're a charlatan or you're coming in with something they're very uncomfortable with.

Using the telephone and spending some time with them tends to make them at least interested. And sometimes they won't come up with anything in the way of a deal right at that time but then they will call me back. Or they'll ask for my literature.

Property Management

We've used it on our senior communities and retirement communities. Up until the time we started using telemarketing we would always send out a direct mail piece. We would invite people to come to an open house or to a personal tour of our property. Maybe we would get two or three responses out of about 500 mailings. So it's pretty dismal.

We started using telemarketing as a follow-up and now we're generating 30 to 40 responses each week to open houses or personal tours based strictly on that follow up.

The lesson, especially with elderly, is that they really like that personal touch, that one on one response with people being able to talk directly to someone. It's a more nurturious and empathic phone call.

Manufacturing Sales

I use telemarketing when I get leads from manufacturers. I can mail to them, and I do, but the urgency isn't conveyed with a piece of mail. So what I try and do is understand that I believe they are important and that's what I communicate in my telephone calls. And then I do fax follow-ups.

I close a great deal more of them than I ever did when I just did mail. Mail didn't work at all. My response has increased ten times.

The lesson is: pick up the phone and make the outbound calls.

Information Systems

We sell high-ticket information systems to manufacturers and distributors. We have been using telemarketing for probably the last six months. I guess the most overall benefit is the idea of a moving parade. Capturing a name and then following up with that name or that person or that prospect on a continuing basis, prior to an account manager taking control of the sale and actually closing the sale has probably been worth, I'd say at least ten times what we normally would have done.

The secret I've learned about telemarketing is frequency, staying in constant contact with that person at the point in time that he's ready to start the sales cycle.

Hard to argue with results, isn't it?

There's a great research study that talked about high ticket and conceptual products. It took on average of five to seven continuous communications, because people are inherently ambivalent and skeptical.

They either consciously or unconsciously want to see how well and whether you "talk will walk," whether you really are consistent. If they don't buy into you on the first call, will you be the same on the second? How often will you be there, how predictable, how stable, how credible, how consultative will you be?

How many calls does it take for you?

It takes a year's worth of calls. The payoff is... the sales cycle goes a lot easier. The client feels as if he's already bonded.

Here are even more stories:

Real Estate Sales

I use telemarketing in the Real Estate business. We also use disguised telemarketing.

What we found with our telemarketers is that probably 50% of the time our telemarketers were calling on our behalf, people would actually lie to the telemarketers and say they were not moving. So typically our telemarketers would say, "Hi, it's Ron. I'm calling on behalf of Craig Proctor at RE/MAX. Are you folks considering moving in the next year?" And unless they were ready to do so right away, most of them would probably blow them off and say, "No, not right now, no we're not thinking of moving."

Much like if you're going into a shoe store and a salesperson comes out and you say, "No I'm just looking." Well, what are you doing in the shoe store? You're not in the shoe store if you're not looking at shoes.

So we took a look at that premise and what we did is we came up with a consumer survey. So now we have a consumer survey where we phone up and we say, “Hi, this is Consumer Market Trends, we’re doing a survey for the community and local businesses; do you have a minute? We’re not trying to sell you anything.”

We throw them off with a few questions about the community, first of all. We ask them where they shop, we ask them which highways they use, how long they’ve lived in the area and then we ask them if they’re considering moving.

That worked real well. Since I always like to get things paid for, I thought if I’ve got them on the phone with my telemarketers, why not ask them a few other questions. We’ll sell them to local businesses and actually make this a local business.

Now when we ask what highway do they use, we then ask them if they own a car and if they are thinking about buying a new car will they buy domestic or foreign? Then we sell the leads to the car dealership and it pays for the rent on the building and it pays for all the telemarketers, so it’s all free.

Sales

About 10 years ago I used to demonstrate a machine that put the paste on the back of wallpaper. And we went to retail stores to demonstrate. We had the retailer call his customers and invite them to the demonstration. I could always tell before I drove into the parking lot whether they telemarketed or not if it was wall to wall contractors.

Dentist

At first I thought, “How do I telemarket?” But what I’ve started doing is calling my patients after a procedure — on the same night or the night after, just to see how they’re doing.

It shocks a lot of people. You can tell by the tone of their voice. They say, “That was really neat, I’ve never had anybody do this, thanks a lot.”

And then as a follow-up to that my assistant calls them a week later. A lot of times if you have your mouth open for a long time and then if you try to adjust the bite after you’ve done it, their jaws still don’t quite go all the way together. They’ll sit there and they’ll have their bite just a little bit off, sometimes for weeks.

Then you'll see them in six months and they'll say, "Golly, yeah, you did a good job but that thing hurt to eat on for a long time." Well, if you intercept that actively right away, you can urge them to come in. Say, "Just stop by at your convenience and I'll take care of it. It's probably just a bite adjustment."

A lot of little things like that can get taken care of. You're talking to them when they're on their turf. When they come into the dental office they're not really themselves all the time. You deepen the relationship. They're usually grateful. I'm grateful because I can usually continue to do the care I want to and complete it many times. So, if it's telemarketing... if you want to call it telemarketing or not I believe it has beneficial effects.

Telephone Service Sales

I've a group of telemarketers and we routinely sell 800 numbers over the phone.

In addition to that, though, we had a specific experience four or five years ago where the phone company came out with a new product they believed only a hundred people in the state qualified for. And that product being sold would result in a commission, a minimal commission, to the sales rep of \$500.

The highest commission I think someone made was about \$20,000. So all the salespeople were very anxious to get as many of those customers as possible. Instead of going out to see those customers, we instructed them to start using the phone; we captured over half of the customers that were in that group, where everybody else was running around seeing the customers in person.

A little P.S. to that story: there were a lot more than a hundred people who qualified for that service and the salespeople had quite a windfall. Time was of the essence in this case and you can get to see people right away over the phone. It's a very good tool.

Marketing consulting

I had a conversation with a dentist here in Los Angeles several years ago. He makes \$20 million a year. He keeps six dentists busy all the time. He fills and makes sure people are on time with telemarketing. He has a million people on his mailing list. And he's really working on his business, but the telemarketing is the key. He has an outbound telemarketing group that calls everyone.

Banking

I'm a branch manager. I have two branches in Mount Shasta. We've been using telemarketing in my branches for just a couple of years and we had a lot of resistance from the staff to get them to do the telemarketing. They said, "I don't want to do telemarketing," so we changed it to teleservicing.

They're just calling to check back with their customers on their new account they opened. Did they get their checks or something else they could follow up on? But we also indicated to them that whenever they did those calls they needed to use a little tag on line to push another product.

"Did you know about our investment seminar that's coming up? Did you hear about our check guarantee card?" Just a real simple tag on line. And we've had a cross sale or number of new accounts per client of a little over one or one and a half, and now it's up to three. So it's more or less doubled.

The real powerful part of it is that the telemarketer is comfortable. It's not telemarketing; it's teleservicing. My staff is real comfortable. "Yeah, I'll call up my clients and make sure everything is just fine..."

Entertainment

Twenty years ago I was in the entertainment business. At that time one of the most important things was securing bodies in the different show rooms that you worked in.

We had a fan club and we mailed out letters and everything. One of the ways we secured seats when we got to a specific area was to contact the local fan club president to get his fan club list. Either myself or the two girls who were my background singers would make calls to everybody on the list. We would say, "Don't forget our opening night or closing night." We actually got to the point where we would secure their reservations at the hotel in order to make that easier for them. In that way we actually secured our own destiny in the future because we had live bodies in the seats.

Real Estate Property Management

We use telemarketing for our existing clients in real estate. We do what we call our telethon or phoneathon in the evening.

We get all of our staff and we call every resident in our apartment community. Tell them how much we appreciate having them as a resident; ask them if they have any problems that we haven't corrected in their apartment. So we're looking for those problems.

The other thing we do is ask them for referrals. For people they might know who might be interested in living in the apartment also because we want more people like you. And every time we do it — we do it probably quarterly — we get two or three new resident referrals that way. So it works real well for us.

Junior College

We use telemarketing two ways. One is we have an outside sales staff that works on our high school leads. Those representatives work only with families in the home. Telemarketing sets up about a third of the appointments that we go out on and we are on a program to increase our high school enrollment about 300% this year. They are setting up about a third and keeping us pretty much on track.

We also use it to call those leads that are more than one year old. In other words they kind of have been around and got cold. During the last thirty days they have regenerated thirty of those leads by calling them and reactivating the idea.

Lead Generation

I do a lot of multi-step lead generation and conversion techniques. I do it in basically a three form follow-up process whereby after I got the lead, sent out the information the people were requesting, they use to get two follow-up letters from me for my services.

It was great. On about every hundred leads I got I'd convert about 15 that way. But by simply implementing telemarketing it increased that to where I would end up converting 25 out of every hundred for the various seminars and programs I was selling. It had a big impact.

Optometrist

We use the telephone. We discovered this almost by accident. We use the telephone one hour a day and that one hour a day with one person is going to put about \$120,000 into my practice this year.

If I had examined your eyes, you would have gotten a call from my personal assistant two weeks after you got your glasses. "Mr. Abraham, this is Linda. I am calling for Dr. Wong. He

wants to know how you are doing with your glasses? Are you having any problems? Do they feel OK? Are they fitting right? Can you see OK?"

Just making sure that the follow-up is good and we wanted to establish a closer tie to the patient. We wanted to assure them that we were there for them at any time they needed us. That it did not need to be a purchase. If they just had questions about their eyes or whatever reason they needed something related to their eyes, they could call us and get whatever they needed from us.

We added one question to the end of that whole thing, and it was, "While I have you on the phone, is there any one in the family that you would like me to make an appointment for?" Totally extending an extra service.

On an average she's generating two patients a day with that simple question in an hour. Those two patients are worth about \$400. Each patient is worth about \$200. If she works a 300-day year, she is generating 600 patients each of whom is worth \$200. That's \$120,000.

To say nothing of the fact that those patients refer other patients who refer other patients and so on and so on.

It's real easy. It gives us marvelous information because one of the things we are able to track is how do the patients really do. Do they really do OK? Do we have an employee in the office who is a problem? Are we seeing a problem with the same optician's fitting of glasses or contact lenses?

In Cincinnati there is a group called Choice Care. And Choice Care has a panel of eye care providers and Choice Care got huge because they were the first managed care provider in Cincinnati to really go after the market.

As it turned out there was a point at which 11% of the people within the Cincinnati area were covered by that plan and I was not a member. I had someone phone calling patients that were not answering our recall notices.

We kept hearing time after time after time-well my employer now has Choice Care and you're not a member of the panel. To the point where for a time until I could get on the panel because the panel was closed, I accepted Choice Care patients and did their eye examinations

with no compensation to me because the patient had no out of pocket expense, except for a \$15 co-pay. I took the patient at no fee in order to reestablish the relationship.

It paid off big time. Well it did another thing, it forced Choice Care to act and put me on their panel because what I was asking patients to do was send letters into Choice Care and say why isn't my eye doctor on your plan... eventually we literally just forced them to accept us into the plan. We found out-we now know from profiles that virtually, somewhere between 9 and 11% of our business is with Choice Care patients and we had lost it and found it over the telephone.

Pizza

I came across a new technology and this is through installing a new computer system that cost us something like \$400,000. We got paid back within three months so that's OK. This new system had the ability to ring 30,000 people within 3 days.

I have a promotion that is twice better than what my nearest competitor could offer. And the only example I've got is Citibank phoned me on a voice response telephone system. In three days we rang 30,000 of their card members and told their card members that UOB, which is the competitor bank, would match their subscription fees for two years.

You program the name of the person and it just calls. "Is Mr. Leo McClure in? If he is then press 1." And it goes on with the message. If you want the mail it sent to you tomorrow and you press 3... The mailers get sent out.

It's cheaper. It costs about \$10,000 to write the program and another \$10,000 in telephone charges. It's a lot cheaper than a commercial — it costs about \$100,000.

It is so competitive; at this stage I'm talking price not benefits. It's quite clear that if we ran a direct mail program, for instance, we know we normally pull 19%. If this outran a competitive program that matches our offer, we go down to 12%. The capitalization factor. So to protect the 6%.

I would think once you get that customer you want to basically continue as long as it is cost effective to nurture them and keep them bonded to you by communicating some kind of information of value.

Whether it's an offer or just an update or reminder or telling them about location or telling them to write the number down, anything you could do that would give them value to keep yourself constantly connected. That's how I would use it also.

Automotive Accessory

First of all we don't use the telemarketing as much as we should. But we developed a situation where all of the lining jobs that we do are done by appointment. Certain times of the year, like when we have a big show, we can basically have people lined up two or three weeks ahead for our shop.

We always send out a confirmation letter but we were still having some problems with no shows until we decided the simple thing, it seems obvious now, but until we did it, basically we just call people within one to two days before their scheduled appointment. A lot of people had forgotten and said thanks for calling us. The no shows went way down. Just a simple idea really helped out the shop.

Auto Repair

With my auto repair shop I started about five years ago, I thought the only reason the customers were coming back is because I was lucky. I didn't realize until I started defining my USP about four weeks ago why my customers are even coming back in the first place because I would never ask them to.

I just do whatever I could do with their cars to make them run as smoothly as I possibly could and send them on their way. I found that if I didn't have any income by the third week of the month I'd start to get nervous because of the rent and other things. I thought well, I don't have any way of getting new customers, or I didn't think I did.

So I just called on my old customers and by the time I called the second or third customer I'd created enough income to carry me to the next month.

Physician

I never did any marketing but last year we had this system. We had our nurses call our patients. Everyday, for one hour, they would call the patients seen two days before to check and see how they were doing. Ask them if there was anything additional we could do for them or if they wanted to come back. The calls generated some more office visits.

Hydroponic Produce

We use the telephone 100%. That's how we get all our orders. We basically have 85 customers — grocery stores, grocery warehouses etc.

All 85 customers are called every Monday morning starting about 4:30 in the morning. Calls are made until about noon or until we finish. Then they are called again on Thursday. This generates 100% of our business.

CPA

We do cold calling about four hours a day for four days to 1) set up appointments, 2) to confirm appointments and 3) to schedule appointments. We see our clients once a month. It's OK but it could be better. I'm going to try direct mail plus telemarketing.

Preventive Medicine

I used to be the medical officer for the municipality of Anchorage. There had been an epidemic of diphtheria about ten years before and the state wanted to conduct a re-immunization campaign.

They got free vaccines from CDC but no money to put on a promotion campaign. Now I can't put a dollar figure on this but in some ways this story parallels some others you've heard and it turns out that in Alaska the Iditarod is like Super Bowl in Texas. It turns out the original Iditarod was run from Fairbanks to Nome to take vaccines where there was an epidemic going on.

Basically what we did was piggy-backed this re-immunization campaign with a few phone calls; you call one or two people and then they get a couple of their friends and suddenly there was a task force of all of these people who were delighted.

You know the Vice President for Community Affairs of the phone company and Vice President for Community Affairs for the TV station and the newspaper and all these people and they did basically all of the work. They did all of the promotion. All this was free and they were thrilled to do it and it was good PR for them.

Investigative Services

This telemarketing idea is what excites me more than anything else. It was the first thing I picked up when I started listening to your tapes. And it reinforced something that was making my job more interesting to me.

Call the people all the time. Tell them how happy you are that they decided to honor you with the business. You are really pleased to be involved in this problem, situation — whatever it is. Call them midway through. Let them know how things are going. Tell them when they can expect final closure.

Call them when you are done before you send the report. Let them know that it is coming. Thank them again. See if they need anything else. Ask them if they need any extra copies and that sort of thing.

If 70% of all the people are the assured personality group and you call them and keep assuring them then you have a 70% chance of making them happy every time they hear your voice. And if you do that they just gotta come back. There is nobody else in the world who would care about them more than you with that phone call.

Building Services

We do total maintenance. We have a janitorial division, which is the biggest division we have. The only marketing we've ever done is referrals and networking. That's all we've ever done. And I just had an ah-ha moment because as Jay was up there really talking about "come on you guys, think about telemarketing in a different point of view."

I always thought that telemarketing was a thing where you get on the phone and give a high-pitched sale and somebody's trying to sell you carpet cleaning at dinnertime.

What happened is that I realized that my assistant calls every one of my clients twice a week. She calls to say "Hi! How are you? Have you got any problems? Have you got any concerns?"

And she generates business out of that situation every time she calls. It can be a window-cleaning job. It could be a tile job. It could be a canopy-cleaning job. I didn't realize it until just now I was doing telemarketing and didn't realize it. It's great.

Sales Productivity Institute

One of the things I did this year was hire a person, a former schoolteacher who was absolutely intent on getting into the world of sales. I reluctantly hired her and put her on the telephone to make some phone calls.

Since the telephone lines now carry a lot more than voice — they carry data and other information — what she is doing is calling a variety of target companies.

We use what is called MarketPlace, which is a CD-ROM set up for 9.2 million businesses nationwide. I could narrow down the list to as few as seven names, which I have done, and gotten some very specific target accounts that we are going after.

She's been making calls on those accounts and when they show any sign of interest we fax them a three-page fax right from our computer to their fax or to their computer.

Professional Speaker and Trainer

My name is Peter Sullivan. I'm a professional speaker and trainer. I've got a business called "Australian Business Training," and I telemarket almost exclusively and directly to sales managers, and corporate managers.

We say, "We've got something very different in the marketplace and the very simple story is I want 10 minutes to show you what it is. If you don't like what it is, you throw me out... if you like it we'll talk about it a bit more. All you've got to do is market the appointment."

If I talk to a hundred people I'll get 50 to invite me in. And out of the 50 I'd sell 10 out of those. It's just a numbers game. But what's the attitude you have when you're calling? Do you feel like slimy or non-valuable when you call?

That might be an attitude of some people, but I say I've got something very valuable.

And you believe it. You believe that they're being denied an outcome if you don't at least get to present it.

It's a responsibility, an obligation. For them, not for yourself. If you profit in the process that's wonderful, but you have the obligation to convey this information. What's the biggest pitfall that you've learned to avoid?

Procrastination, most people have a problem with telephones. They're worried about somebody's going to feel uncomfortable or they're going to be rude. I have a strategy dealing with rude people.

I spend all the time on the phone trying to find one. In ten years I've only found one really rude person. My aim is to try and find the rude person. I've got to spend all day on the phone trying to find the rude person and if I can't find them I've got to go back the next day and do it again.

Continuing Education

The way we use telemarketing is when we do some predevelopment studies for our courses. We'll send out a fax or a letter asking some individuals, key individuals in particular areas asking if this particular seminar might be of interest. Is it the technology up to date?

We get about a 20% response if we just do the direct mail and say send back a fax. We get about a 50-70% response if we get the right person on the phone calling them. So you're looking at anywhere up to five times more response.

I use a program called Aldus PageMaker, which I use to do a real nice page layout. I drop my digitized photograph in there and include information about the kind of work I do, references, testimonials from clients, all in a neat little three-page package which goes right to their fax machine.

The big advantage I have found is that in the past I used the mail and it took two or three days or a week and then we would call for follow-up and they may have received it and forgotten it. There was always a lot of confusion. But when we talk with somebody and two minutes later the fax is on their desk it is much more immediate.

We have shortened down the sales cycle dramatically and gotten a lot more positive responses. We can also follow up. You know we have a telephone call, a fax and a telephone call all within probably an hour or low. So it has really shortened down the time frame considerably. And whatever questions are generated during the phone call often get answered by the fax.

Whatever questions remain after having reviewed the fax they can now ask in that moment; using that little piece of technology has made a significant difference for us. We are starting to pick up clients out of state and in areas where we wouldn't have had the impact before. I think a lot of it is a shift in a view of what telemarketing really is. It's not just talking on the telephone.

Investment Broker

We've been telemarketing for two years. I've got 50 telemarketers. We sell \$40 million worth of property a year. And it's really only just scratching the surface.

We have our people ask them if they would like to know more about investment property, how to save taxes and book a straight appointment.

We will book ten out of every hundred calls.

With telemarketing for an appointment, you go a hundred, ten, one. With a seminar you go 200 people who say, yes, I'm coming. You have to call about a thousand to get two hundred. About half to 25% of them come.

The key to being a great telemarketer is personality. You need to have people who like people. They've got to care. They've really got to enjoy it. They can't say, Oh, I hate doing this. Or they can't think that what they're selling is not of value.

I think probably the biggest advantage I've had is actually training my telemarketers about the whole industry. The more I tell them about what they're doing, the more they shine to it.

Real Estate

Marshall and I have pretty well tried everything in real estate. Full page newspaper ads, billboards, bus benches, direct mail, fliers for free market evaluations, open houses. I mean we've done it all.

Recently we've gotten really big into telemarketing because we realize everybody in our marketplace knows who we are, but we're not getting all of them. We're getting most of them, but we're not getting all of them. So we had agents who were telemarketing for us and they were using just a manual system. They would dial a number and get a busy signal; they'd dial another number and they'd get no answer; they'd dial another number and get an answering machine. We found that they were making ten to fifteen calls before they got a live body.

So Marshall gives me a call last fall; he goes, "Get packing, we're going to this telemarketing seminar." I said OK. So we fly down to Atlanta to this big telemarketing seminar.

We don't know anything about it but we're walking around looking at all these vendors selling these computerized telemarketing machines.

So I bought one of these things, cost me about eighty thousand bucks. We bought a list of just homeowners in my area from a list company. So there's no commercial, no apartment buildings, just home owners. I hired four telemarketers. The machine is called the predictive dialer. What it does is skip over all the answer machines, all the no answers, all the busy signals. So it's actually making the phone calls for your operators and connecting your operators.

Phone rings, they've got the headsets on and the script comes right on the computer.

So I've hired brand new agents and they're perfect. I put the scripts right into their computer. It drops the homeowner's name right into the script and the telemarketer's name into the script. So he's just reading.

It says, "Hi, Mr. Smith. This is Ron calling on behalf of Craig Proctor at RE/MAX. Are you folks considering making a move in the next six months?" Whether it's yes or no, it takes them all the way through the scripting, sends a letter out right away and we're able to talk to good people everyday.

I started about two weeks ago and I've been gone for about the last week. I've been down at the RE/MAX Convention, then straight here, but I think there's eight listing appointments lined up for me on Monday when I get back.

We're going to get better with the scripts. What we're going to be doing... when I list a property we want to call around the just listeds and call around the just solds. But we're also sending letters out after the telemarketing call and it will send a form letter that looks very personalized.

The form letters will say thank you for talking to us yesterday and we understand your decision not to move or to wait to move or to move or whatever it is. Follow with the direct mail, then after the phone call another piece of direct mail to them.

Cable

We conduct a cable interest survey. Instead of just a direct cold call what we'll do is ask specific questions about whether they have cable and follow right on down the list. And what

we're really getting is nice warm information. About all of the things they spend and watch and do and whether or not they're irritated with cable. That's what allows us to come back behind that and set up an appointment.

Network Marketing

I have a three-way phone so I connect with my upline. When I'm not with my upline I can play it to my potential client and they can listen to real testimonials and become interested by that.

Benefits Consultants

We've used cold calling our whole existence. We started out with a gentleman who would just call to try to set an appointment. And that was moderately successful but we found that we were running all over Southern California to see groups of employers with six people, or it could be sixty people. But the person may not be totally qualified.

So what we've done is over the years we've adapted that and we now have a regular solicitor who is not only a licensed insurance broker but he also gets to share in the profits. So that the tests we do are in different ways to get an appointment... that's all we want is an appointment.

We've not trying to sell anything over the telephone. We're just trying to get in front of the client to talk to them about what we might be able to do for them. This has worked very well, probably in the last seven years this accounts for in excess of a million dollars a year, net commissions to the firm And the solicitor himself, this last year, probably made just under ninety thousand dollars himself, just as a solicitor.

(Just as an aside) When you have people on the phone make sure they believe in what they're selling. Make sure you sell them and don't just give them a script. Because it ain't just the words, it's the music. You can put the same people on, you can put the same message on, have somebody who believes it on, and they can get a hundred closes as opposed to somebody who doesn't believe it and will get rejections and problems. It ain't just the words, it's the music. And so you have to make sure.

And the other factor in telemarketing is there's a distinction between telemarketing and telesales. Sales on the telephone is a very, very high level skill. With at the maximum level of salesmanship.

Telemarketing is with a scripted, low level function that you can use a relatively unskilled people, script them through a process that does not demand a lot because you're not trying to close an enormous sale. You're trying to get a lead; you're trying to get an appointment. It's a relatively low threshold operation. If you make the distinction you'll make yourself a lot happier.

Pius Restaurant

I like to use telemarketing to follow up and make sure my service is the way it should be. After we've sold a product to a customer, a pizza, sub or what have you, we follow up with telemarketing to find out how they were treated, what the perception of my store was, from all aspects from the inception of the order to the reception of the product from the driver.

Whenever I find a problem I can head it off and deal with it right now.

For example, if a pizza was delivered a little bit late I can immediately get a gift certificate out to give us another chance to try and improve our service. And if the product was wrong and they weren't going to let us know any other way that we made the pizza wrong or what have you, we can instantly have another one made and taken out right away.

Qualified Inbound Telemarketing

We have a gatekeeper which we just installed. My partner and I are highly specialized at what we do and we were fielding up to three or four hundred calls a day.

Most of them were not qualified for the product. So now we do direct mailing and other advertising and give them an 800 number to call into a fax on demand system. And the fax on demand system within two minutes sends out all of the information they need to make a decision on whether or not they should go forward at that point.

The biggest and the best part about it is the people who didn't qualify for the product we were no longer wasting our time or their time on the phone; we're a lot more efficient this way.

Fax on Demand

I was reading *Success Magazine* two weeks ago at ten o'clock in the evening. I saw something about a survey they wanted to do and they said something about just call this number, punch in your answers and we'll send a month free of Internet back to you via fax.

So I said what the hell, I've got nothing better to do right at this moment so I did the survey. I punched in, and they say what's your fax number. I punched that in and about one minute later I hear the fax go on; I go in there and there's this Internet certificate. I was really shocked... depending on what type of business you're in it's a fantastic way of marketing a service.

Retail Sales

Everything I do is on the phone. That's how I get the goods to sell, that's how I sell the goods. I think it is important to have a script. This is a new business for me; I've been in business for two months. But I know that it's much easier to call somebody and say I want to buy.

But I have a really good script that gets me through to the person I need to talk with. I don't have a good script on the other end, which is to get me through to the person who is a purchaser of the companies that I would work with. And so it's a little more difficult. I'm working on that, I'm working on other pillars for my business, but right now that's all I do.

Turf Farm

I'm actually in another sideline business, which is Sun Belt Reclamation. We do roadside hydroseeding, golf course grassing and mine reclamation. And it was something they told us not to get into but we ended up making five hundred thousand dollars worth of turf sales last year.

But we don't do any general direct marketing or any sales or anything like that. But I did one time last year... we had an overstock of some common Bermuda grass seed that I wanted to get rid of so I sent out a direct letter based on pricing and let it sit for a couple of days.

I didn't hear back from any of the landscapers or any of the people I'd sent it to. So I said let me give them a phone call. Turned around and gave them a phone call and I probably booked 50% of the common seeding market just with that one phone call. And I think now that I look at stuff I didn't make another phone call from that point on and I had three months worth of seeding the rest of that year. I could just kick myself for not going back mid redoing those phone calls.

You can use the telephone for so many things it's unbelievable.

Mercedes Promotion

We created an event. We preceded the event by phone saying you're going to be getting an invitation. They got the invitation and then we would have a person call them and make sure

they got the invitation. We didn't want you to miss out. Will you be able to come or would you like to see the car another date, just let us know.

Incredible. When we did the C class, we had the largest turnout. Every Mercedes dealer in the country rolled out the C class on the same day at the same hour. We had the largest turnout in San Jose, California, of any market in the country.

When you have a party do you call your friends and ask if they're going to come? Yeah, you call your key people who you want to have at your party. That's a great analogy; if they are your friends you owe them that, don't you?

Phone-Mail-Phone

We developed a method after all the cold calling and strategy that our salespeople were doing. We call it PMP, which is phone, mail, phone. What that means is we first call, because we can only speak with the decision-maker and owner of the business.

We ask them if they are interested in collecting more money, getting more money in the door. Yeah, we always want more money. Great, what we wanted to do was send you out some information to take a look at it and see if what we are offering might make some sense for you and your business. It will be coming in a big blue envelope.

So we pre-qualify them to find out if they're in the mood for it. Once we find out if they're in the mood for it, we send them out a four-color brochure that basically breaks down everything that we do. And then two days after that we follow up with an appointment. When we set the appointment we do another pre-qualifying to find out if they are really in the market for where we're at and to peg them as to what level we're going to walk in and sell them on.

Real Estate

In real estate what I used to do was to call investors up and ask them if they would accept an offer on their home today. I can remember in one case we went out and they had another agent there and he was ready to write the listing up and I said do you want to list it or do you want to sell it? I've got an offer right now, let's do it. And we did it.

Patient Confirmation/Follow-up

Sometimes many years ago when my patients didn't show I would get very upset. My wife called to find out about telemarketing and every time she called a patient approximately 75% of them would come back. If they couldn't come, they always gave a good excuse.

Education/Certification Programs

I work on education courses and certification programs. I started the College for Financial Planning and developed the CFP program about 1968. And I developed it on the telemarketing approach. Basically we went to trade shows and associations and gave out our cards; people were interested.

They wrote in for catalogues. We mailed out the catalogues and then always followed up with a telephone call. That's how we built the college. And basically I'm doing the same thing with The National Institute of Nutritional Education, which is a certification program again. It's working very well.

Reducing Returns With Telemarketing

The return is much bigger on the initial purchase than after people have been buying from me for a while. So we've worked out a way so the return is lessened to a great degree.

On the first sale when we first sell somebody a product we go through a four-step process. First the initial phone call, then the next day I have my salespeople call them back and thank them again for the business.

Because what we've found is people go home and their wife says, "What, are you out of your mind, you spent seventeen hundred dollars for a cartoon character!" Or they've talked to somebody and you know, negative or positive response, they've done something since the initial sale. So the next day we call them back and we thank them all. "I'm so glad you've bought this piece and I can't wait to get it out to you in the mail.

And it's going to be coming UPS so you're going to have to sign for it and I just want to check the address." Then we call them again, we thank them again, and we call them again to let them know when they're being shipped. "I want to let you know you're going to be in shipping today. Thanks again for the sale and so on and so forth." And then one last call after they receive the piece and have it in their hand. To go over any questions they might have.

Our returns have gone from 10% to less than 2% representing thousands of dollars each year.

I don't know any better way to convince you all of success than to show you how it's worked for other people. Hopefully the above experiences and instruction, combined with your own imagination and ingenuity, will propel you to even greater heights.

How I Bought A Business With No Cash!

Here is a success story from Richard Spring: "This is kind of the story of what Jay taught me. How many of you would like to buy a \$3 million dollar a year business for no money? A profitable one.

"It happened to me. This is not some theory and nobody's making any of this up. Please listen carefully. I'll start at the beginning.

"In 1989 I was a consultant like many other people. My primary interest was in collectibles. I was doing OK, but as the case is with most consultants, my income depended entirely on how good my next consulting was.

Sometimes it was too good and I would get fired because the guy made too much money. Sometimes it wasn't good enough and he didn't see the value of my service. But at the end of the day I hadn't built any asset for myself.

"It's kind of a problem with being a consultant. It sounds real glamorous. Maybe it is. But I got over the glamour of it. I wasn't building an asset for myself. I was in business for myself; but I wasn't in my own business.

"One day I got a call from an autograph dealer in California who'd been promoting antique prints to subscribers of a few financial newsletters. By the time he called me he had accumulated a pretty good inventory. There were prints by John James Audubon — wildlife lithographs, really pretty, mid-nineteenth century, hand colored, really nice. He offered me the entire collection that he had for \$120,000.

"Well, I didn't have \$120,000 and I didn't really want to take the risk of \$120,000 even if I could raise \$120,000. And I live pretty good, so I spent the money that I was making. We talked

about it though and I learned that he also had a small mailing list of people who had bought through mail order these Audubon lithographs through newsletter promotions. He had 329 names.

Does that sound like a large mailing list? But, I also learned that his mail order buyers were developed from a very upscale list and, more importantly, they had never been mailed again. He never went back to them and asked them if they wanted more.

Now, remember, I didn't have his asking price and I didn't know if what I had in mind would work, so I made this deal — rather than negotiate a price with him I negotiated terms. I offered to pay his price for the collection — \$120,000 in 120 days — that's full price.

“I wanted two things from him in exchange. Number 1: I wanted the ability to sell pieces from that inventory and pay him the wholesale, in other words half the money that I took in. He held the inventory. So he wasn't at risk.

So I wanted the ability to sell off that inventory — it was held for me exclusively. I bought it and I'd send him half the money and he'd send me the print and I'd send it to my client who was actually his client. The half I sent him reduced my acquisition cost. So that was kind of like a down payment on the inventory.

“The second thing I wanted was the mailing list on Day One of the people who had bought this exact product in the last two years. It wasn't even that current of a list. And it had never been called and asked if they wanted more.

And we made a deal and here's what happened. I recruited one sales person. He called the people on the phone and said, “You bought one — you want to buy another one?” In the next four months my one salesman sold over \$200,000 worth of Audubon prints. We didn't advertise. He sold them to that list of 329 names. I paid off the whole collection.

“I ended up with about half of it left over and used it to start my business. Since the original owner had built this list through financial newsletters I figured that's a good idea. I took his direct mail piece and tweaked it a little bit and went back to some financial newsletters and started promoting in a host/beneficiary relationship not only Audubon prints but other collectibles I was able to acquire.

I used a lot of Jay's techniques, didn't I? We did a million eight the first year we were in business. I was able to finance this company completely from the inventory I was able to sell before I had to pay for it. Today we are a firm called Georgetown Galleries. We have fifteen employees. I have eight sales people working mostly over the phone.

We did \$3 million in business last year. My goal next year is \$6 million and I think we will reach it. Nothing has changed. Still mailing lists, host/beneficiary relationships. We are testing TV and we're testing print."

Soft Drink Business

A lot of you sell by salesmen and salesmen are typically commissioned.

Depending on how your commission system is set up your salesmen will go where they can sell the most products because they get more commission. And what ends up happening is they weed out other customers who could go to but they just don't go because it just doesn't pay off for them.

Radio Station Manager

We have traditional sales people who call on the retail businesses one-to-one, car dealers, furniture stores, jewelry stores, etc. But a lot of non-traditional businesses, manufacturing companies, insurance companies, dentists and so forth, our one-to-one salespeople wouldn't call on. They didn't think there was any potential.

So we hired a couple of people just for telemarketing about five years ago. We call these people in the computer now on a regular basis and last year we did \$165,000 in telemarketing. When they get big enough they ask to see a regular salesman and it turns into a bigger business relationship.

(When I was selling years and years ago I worked for a station in Indianapolis. And they were using telemarketing very effectively. They had the Cincinnati Bengals before anybody wanted them. They'd have us all get on the phone on Friday before the game and call all of his small advertisers and say:

"We've got one spot on the Cincinnati Bengals and we will sell it to you because you've never advertised for half price." And we'd always sell out that day to the people who would never normally buy. And some of them would get real tickled because they'd get people who would say, "Hey I heard your spot.")

Mailing List Company

We had a female sales person in-house who spent a year sending out letters week after week. She loved composing letters. They weren't working and in that part of the business, just to give you some statistics, we were selling probably about three hundred thousand names a month.

She left to join another company and we took on a gentleman who didn't like using a computer, couldn't use it very well. He hated writing letters, but loved talking. He got on the phone and understood very quickly that people don't have time everyday to read everything that comes in.

And he would phone up prospects and say how are you doing? Can I tell you about X, Y, Z mailing list? And they would say OK. And last month the volume of sales was two million.

Now the difference he made was he phoned people and first asked them if they had a minute. So he wasn't interrupting a busy day. He practiced what he did before he got on the phone and made sure it was relevant to that individual and that it was benefit driven. He was able to say what it did for them and not the fact that he needed to fill his quota. I think both aspects are very important but they each have a relevance.

And just a quickie, someone phoned me the other day and I was in the middle of writing a proposal and I was very busy. And he said I wondered if I could help you with any lists. And I said I'm in the middle of a proposal. I've got fifteen minutes to get it off the fax machine. If you can fax me over in ten minutes some ideas... and I quickly told him what I was doing... if any of them are good I'll include one. And he did and I included it and I phoned him back half an hour later and said you've got the order.

And I never would have done that; I never would have gone to the filing cabinet to particularly look at his service because my objective was different to his objective. But he called and I wasn't insulted, I was delighted, he helped me do my job well.

Computer Related Sales

I've built two businesses using primarily telemarketing. One was selling computer consumables to end users by sending out a catalog to a selected listed territory, Birmingham.

Then using telesales to go in afterwards and follow the catalog up and see what products people were using and why, and try to build a business that way. Which worked well.

In another business selling to other dealers and distributors we were selling computer peripherals and printers. Again a catalog followed into the dealers and we followed with telesales and that was a very successful strategy.

Point of Interest

What I do is I react to the media and if I see a controversial story or something on television if it grabs me, if it goes to my heart, then I respond. I was watching a program recently and it was a very touching subject.

So I rang the TV station and I said I would offer a service to those people if they wanted to put me on any kind of a list they were sending out. And I would give the first session free. So I tend to respond like that.

Travel Agency

Actually this is fairly mortifying. My husband runs a travel agency and most of his sales are through mail, teletex and skytex advertising. And we did a test about eighteen months ago on telemarketing and he told me during our nights at home that this worked out to a 60% increase on sales.

And we got talking about this and I said are you still doing telesales? No, no we didn't do it because we were too busy. Now if that was a 60% increase, our average booking is 143 pounds. Taking our lowest month's sales consciously that's 96 bookings increase times by 143 times that by 10 months, it just works out we've lost gross profit 240,007 pounds.

Video Services

A few years ago I tried with a young lady pounding the phones at the office to pin a couple of leads a day. And someone would make a presentation to an MD or marketing director. Those are the two people we targeted because anyone below that wasn't worth going to. We had to go to the decision-makers. And we were selling video services. The conversion rate was twenty presentations would result in the sale of one video. And in one year we turned over sixty thousand pounds.

Language Training

We sell language training to German companies and the branch I run — actually I have a monopoly — we have an exclusive contract with the company. There are so many departments and areas in this company I don't deal with; we have no customers, they have no language courses.

So I have the idea that I use their phone book where the department head is actually listed with his name. I call him but I just decided I will talk to him in English, not in German, and just babble at him in English and then ask him in German if he understood me.

Now picture all your people in your department who get calls from all over the world, every day, mostly in English. Do you think they will understand?

Apple Harvesting Equipment

I design and manufacture machines for harvesting cider apples. Those are apples that have dropped on the floor and you pick them up off the ground. Some groves grow cider apples in England entirely for picking from the ground.

The key to the process is to make the equipment strong enough to scoop it up but not to blemish it. We use a rubber bladed paddle wheel, two of them working together. Because it's a very small niche, I sell all across the world. I have a range of machines.

If I asked you to pick up a ton of apples by hand, you'll bend down and it will take you about eight hours. If you use my smallest machine, which is like an overgrown lawnmower it will reduce that process to an hour.

And that product costs about three and a half thousand pounds. If you use my largest machine, which is used by major cider companies then it reduces the process to six minutes for a ton of apples. I've been developing these for twenty-five years and it's really a hobby business.

I got into the business because I went to school with a guy who subsequently bought a cider apple farm. Which is a specialist apple farm. And has now become the first Englishman to have a license... he also makes cider... and he got the first license to distill since I think King James or something... four hundred years.

We don't give our licenses away very lightly. And he distills Somerset Cider Brandy. And it's not a plug for him. Anyway he was expelled from school for brewing. My problem is I deal through dealers and I want to drive the customers into the dealers. But I'm dealing with customers here in Bavarian Hills and Swiss Hills and Austria.

I'm going to mail in to these customers. And the way I'll do that is the way I do it in England. I'll go to the cider companies and I'll ask for a list of their apple suppliers because that's where the apple goes, say I'll make you an offer. And the only problem I have, my small machine I've sold about twelve hundred of them and I have no problem with a total guarantee, risk reversal. Absolutely no problem.

Another possibility is you could guarantee a minimum yield, either in ton or time, and if it failed to get it, as long as they operate it correctly, you'll return the shortfall as long as you have the right to come out to verify it for yourself. I've conducted in the States and across the world something like 850 group conference calls with 50 to 500 people on them.

We try to sell something extremely powerful. It's much less expensive than visiting them, it's much more powerful. You can record it and it can become a tape you can send to any prospect. But you get 25 orchard owners who have not yet purchased and you get 25 who are similar.

And you basically have 50 people on this conference call. And you start asking the ones who are the customers... well let me ask you what it was like before you had this equipment. How long did it formerly take you to harvest? How many people did you end up going through before you could do it? How many bad backs and how many claims did you have?

And then you say, "Tell me, was it hard for you to make the decision?" And I'll say, "Yeah." And you'll say, "What did you have to do?" And you'll say, "Well, I had to call a bunch of other people." "Did you do it? And what did they say to you?"

You do that about 25 times and you ask what's it like now. On the average how long does it take you to harvest? Does the machine live up to its expectations? What is the biggest problem you had with it? When you had it, how does it handle? Do you think that might be useful?

And you say there's 25 colleagues of yours around the world on this line who are seriously buying the expensive... whatever it's called... and understandably just as it was a

challenge for you it's a big commitment for them because if they spend basically, seventeen thousand pounds or twenty-eight thousand U.S. dollars or whatever it is, that's a lot of money to make a mistake.

Can you help them? What would you tell them to do? What answers can you give? Can they visit you? Do you think that might be a very good question? It's normally a very powerful process and should have applicability to a lot of you.

Social Events Organization

We run a single social events organization. I don't do outgoing telemarketing as such because it's a little bit inappropriate and people at the other end will get a little bit concerned. It was a horror story. People reacted badly. People would ask: How did you know I was single? Well I didn't. Well, you just phoned me.

I use telecommunications in a way that I thought was helpful. And one of the important things for the people I attract to the organization is that they are dealing with someone who is local. It doesn't matter how big they are but it needs to be local.

And one of the things in the middle of the advert is obviously the telephone number. Well, if there's a local telephone number it establishes a certain amount of credibility with regards to being local. Now I work on a local basis anyway, I work in large towns and there will be a local operation in that town. But in order to give the impression that it's local, I'm putting the projection order, having a local telephone number is a very useful...

What I do is I have the tone that has been fed back to me through the telecommunications people as a phantom number. So I have the local telephone number ... Through Beatty it's quite expensive but cable has come on line and it's a lot cheaper. It depends on which cable company is being used. Set up costs you about fifty pounds and the monthly cost is about ten pounds a month.

Software Supplier

We supply software for people who manage buildings. And this is a telemarketing tale. We didn't do telemarketing before because companies in our industry don't do telemarketing. So I stepped outside the box and put one together.

And we ran a trial, a test of price and various other things just after Christmas. We had a power session with Jay on Wednesday afternoon and I realized that I still made a few mistakes. We're doing the roll out plan for that next week and I'll be making a few changes. Denominating the benefit, which is what I hadn't done before.

The basics of the offer was that it was a three gun product which normally had one day's training on top of that with a year's annual support contract. Which is worth another 3,700 pounds. But we rolled it in at 3,000 pounds. And we also included a signed organizer with the base products. There was to be a second signed organizer enclosed with the shipment. And if they didn't like the product after 60 days they could send the product back but they could keep the signed organizer which is worth about 250 pounds retail.

If the appointment was made we didn't say anything. If the appointment wasn't made, and this brings in an awful lot of what Jay and other people have said here before, if they in turn said no, the answer then was, if we give you for one month on free trial a message pager, would you be interested and still allow me the fifteen minutes of your time? The value of that one month is anything from between 15 to 45 pounds. We had zero non-acceptances on that.

And the conversion rate on going out on the appointments, before the free trial thing... we hadn't offered the free trial before they've done the appointment, nobody knows about it. They did later because of the way we blanket marketed it on leaflets and free sheets. Because we didn't realize how big this was going to grow.

But if then the salesman found he wasn't getting anywhere. And it was a case of, no, don't want it, don't think it could be of any use to us. If he couldn't close it that way he then left the pager there for... and it was up to him... about one week, and we tried to maintain it to a one week sale.

Remembering this is stock going out to customers so it can get damaged. And all we used to do was get a disclaimer signed by the customer; if he lost it he would replace it. We only ever lost one or two and we never bothered to charge the customer because the customer went away... hadn't placed the order anyway. But that's an aside issue.

We then found that by the free trial we had over a 75% take up from the free trial. Very few, and we always thought it was a poor salesman, or they didn't work the application right, or they gave it to the wrong person.

Or we had an actual fact because of the way it was our own service. We'd actually go into the computer and see what ID code was and we'd know if the pager was used or not. And the salesman could ring in before he went to his call. And this is before selling the phones and during. Could actually ring and if he had any sense could actually produce a print out of the messages.

If the messages weren't of the right quality we would explain it. And somebody in here has actually asked me those questions today in relationship as to why I should have a message pager. And if it's just to ring the office, it's a waste of time to have a message pager. You've got to have the complete message.

The sales went from something like twenty to thirty units per week to a hundred and fifty units per week. This was only a sales team of five, and then once we tested it, and we tested it with just two or three salesmen in one small team, which is a team of five, we then put it throughout the company.

It gave the managing director a problem because he had already forward bought from Panasonic the initial stock. And it takes about three months approximately to get pagers with the right frequency. He'd already bought from Panasonic sufficient pagers to cover what he considered was his sales stroke profit forecast. We'd eclipsed that and he had to go out and find another supplier to supply message pagers to meet the demand.

Distress Purchase Market

As I was sitting there... you know we're in the distress purchase market and you don't get a lot of repeat business. It takes a couple of years or a few years before they come back. When we used to book the customers and if they'd never turn up we used to phone them up and ask why.

You know we got a mechanic standing there ready to do your job that's in line and they feel very disappointed. And we used to get a percentage that used to come in through that or they'd tell us the reason why they didn't come so we could adjust that service to meet their needs.

We thought it would go really well. It didn't. Just wanted to say that we tried it. Just a final point on that, we did get sixteen appointments out of that first 180 contacts that we got in touch with. But interestingly we sold two products as a result of that.

But we actually sold a product from our other line, which is a more expensive product; it's a seven thousand pound deal in the end. Just because we got in folks... the client on other products... a window of opportunity I think.

Paging Systems

About five or six years ago I was working for a paging distributor in the U.K., Inter City Paging. They were eventually taken over by Mercury. Inter City started as a small company. I went in as sales manager and I've done telesales... I was trained by Yellow Pages some time ago. Message pagers as most of you probably know now, weren't known five to six years ago. So trying to get the concept over the phone to even get an appointment wasn't easy. They assumed that pagers were beepers that people wore in hospitals, and hospitals only.

We started up with a number of different sales skills, trying different techniques. We eventually refined it down because we found that the salesmen were in the office far, far too long.

They would have to make at least twenty to twenty-five calls before they got an appointment. Well, that's time consuming both for the salesman and obviously cost as far as calls were concerned. Three or four of us sat around together and put together what we considered was a realistic spiel. I haven't used this for six or seven years.

Once we used it, and one of the salesmen who was on my team came up with the greater part of it, three of us refined it. We went from having a one in twenty to twenty-five appointment ratio down to a one in ten. The top salesman in the company turned it down into, believe it or believe it not, because we had to do a lot of these calls in the evening, seven calls, seven hits.

Our script: Good morning, good afternoon, may I take five minutes of your time? May I. Your pause is between "May I take five minutes of your time?" May I, making it less likely that they are going to say no. We've already qualified and gotten through to the person we need to speak to I may hasten to add. That's done in a similar vein. They normally say yes, if they don't, and I'll put this in now, if they don't we then said, if I can show you a way where we can save your managers and field staff time, would you be interested? Nobody but nobody said no to that other than a couple of smart sales managers but in the end they relented as well.

We provide a message pager. This is a box about the size of a packet of playing cards. Some didn't like playing cards so they used packet of cigarettes. It's up to them which they used. This allows messages to your salesmen, your engineers to receive detailed messages twenty-four

hours a day when they're out of your office. I'd like to take fifteen minutes of your time to explain it further, both the benefits.

Dependent upon their response and what they said then was dependent on how the appointment was closed. If it was a case of yes, it was a case of straight in, make the appointment. And some of the salesmen were so excited when it first came out that they forgot to ask how to get to the prospect. Remember these are only prospects. These are taken out of yellow pages, local papers, anything. The company wasn't big enough to supply them with existing leads so they had to deal with these themselves.

As a follow-up to a mailing: Many times you get hooked on the person saying, "I haven't read it yet!" "I haven't seen it yet." "I haven't looked at the video." The purpose of the call is not really to talk about the mailer. The purpose of the call is to build the relationship to the next level.

You have to touch on what you sent them and you have to have good timing and good rapport and say, "We sent you the videotape. Have you had a chance to look at it? Here's what it was about!"

And whether they say they have looked at it and loved it or whether they say they haven't looked it and they will soon, you don't want them to be able to put you off; you need to be able to say the three things this video will show is how the company has created great programs that have made companies millions and then you go to the next step.

That is where you can really maximize your telemarketing program just to get past their wanting to put you off by not really looking at your package.

Insurance Company

We market life insurance and also annuities and we have a captive group of agents on telemarketing that we telemarket behind direct mail. We set up the time for the agent to go see the client and we find it very important to work a lot with the telemarketers as to tone, speed, what they say and a lot of work on the script itself.

Computer Consulting

I establish myself as an expert in my particular field. Over the last two years I have had a lot of momentum in that area. One of the things I do is put on seminars at trade shows and conferences which are sponsored by other entities such as trade journals

At those trade fairs I get their mailing lists and at the end of each of the sessions I'll get questions. These people are perfect candidates for our particular services and products. These people are then sent what I call an open door letter which basically says "my door is open if you should ever need my services, please don't hesitate to give me a call."

About two weeks after that an individual, he's my father who actually calls — he's a retired information systems professional — he calls up and basically readvances the proposition and out of a seminar of 50 people, I'll get 5 to 10 people who are actually interested in pursuing and forwarding the conversation of using us.

These people are then entered into a database and we send them reports, newsletters and copies of my columns and things of that nature. It is important to do this consistently.

Reading Program

We have 25 telemarketers. I think the most important thing I look for when I am hiring a telemarketer is someone who is really a people person. I find that my top telemarketers, every time without a doubt, are the ones who truly can convey not only the enthusiasm for the product but truly have a love for connecting with that other person.

They also understand timing. What we do is monitor how many dials a person makes in a day; we have noticed that the successful ones are also quick. They know how to get on and get off and do the job. We have our top telemarketers make one hundred dials a day. Then there are the ones who make twenty dials a day and the difference in the amount that they sell is profound.

Doll Company

We started a doll company five years ago. We decided to telemarket as well as have sales reps. We had 150 sales and gave them bonuses and various incentives. Our program includes constantly analyzing the objections of the customers to turn that around to a positive. For example, I asked my reps how many people are close to buying but don't buy. So I would guarantee the sale to those people or I would give them the tools they need to meet any objection.

The sales reps are scared to death of telemarketers because they think they are going to take their commission away from them. I stopped that immediately and made them a partnership. I have them contact the sales reps. They work together. I tell my sales reps at the meeting, if you are in your car and you can't get somewhere, call up my telemarketer and they will act as your secretary for you.

We write orders from them and we give them the commission. I go out and I support every facet of the sale. These girls were doing \$200,000 each. I have two of them now. This year one did \$1,600,000 and one did \$1,500,000. It was just good feelings all the way down. It works well.

Well now you can buy a machine that actually gives you the phone number of whoever is phoning you. So when you give them the quote you can write the number down or it's on the machine. Then leave it for a half a day or so, then phone them back and try to talk him around. Look, you phoned up for a quote and you didn't come back, why? We're the best. Talk around and bring them back in. I think that could increase your business considerable.

Audio Production

Jeffrey Hedquist's production company has had the largest grossing month in the history of the company, 50% greater than the same month last year. All by implementing telemarketing to existing customers. For March, the "Thank You" card system has made this March 76% over last March.

They have made phone calls to customers they haven't heard from for some time. They created an "action plan" so the production of their increased Audio Book business can be handled by someone else in the company. The result from these two implementations is that sales are up 11.4% over the same month last year.

Photography & Printing

David Woolsey called his clients to wish them a Happy New Year and to see how he could best serve them this year. Of the 120 calls made so far, 16 have closed — a net profit thus far of \$19,300.

Marketing Consultant

David Young developed two telemarketing scripts (one to recover lost sales and the other for products being reordered in a six week cycle) for an existing client. For the last six months, the use of the two scripts combined has consistently generated \$60,000 to \$100,000 each month in sales.

Locksmith

Nickolas Kokoron has each of his locksmiths calling all of the customers previously serviced within the last three months to check on how they felt about the service that was

performed, and also to offer additional discounted services. Although this program is only two weeks old, 10% of the calls made have resulted in new work being done.

Photography Newsletter

Shawn Dreger sent out letters to get photographers to subscribe to an audio newsletter. By following up with telemarketing, a 4% subscription rate increased to 50%.

Remodeling School Furniture

Barry Schuster called a select number of customers (who had made a purchase within the last twelve months) to solicit new business. In the one set of calls he made, he picked up an additional \$22,000 in business.

Automotive Marketing

Michael Collands called customers who had not placed an order in the past sixty days. He now re-activates an average of 3.8 accounts per week; prior to this his recapture rate was .8 account per week. This translates into almost \$55,000 profit a year.

Retail Golf Sales

Tom Anderson selected his better customers who were in regions where golf is played in the winter, and telemarketed them with a special offer wherein they could buy at greatly reduced prices. This limited, three-month offer has produced a \$75,000 increase in sales for the first month.

Boy Scouts

Dave Graska called previous contributors asking them to renew their support. Of the 28 people contacted, 19 contributed again. Over \$1,000 was generated, with very little effort, from this campaign.

I'm sure you all get the message by now. The possibilities are endless, the variations numerous, and the potential boundless. If you're as sold as I am on telemarketing, you won't wait another minute to get your staff geared up and your phones going. I look forward to hearing your success story!

Chapter Five: Develop A “Back-End” Of Products and Services

The back-end is vital to any business. If you can induce new customers, clients or patients to buy a similar product or service from you within 45 days, you double the value of the customer. All of a sudden you’re far into profit, instead of what initially was probably a net loss.

Working the “Back-End”

As every business owner knows, identifying prospects and converting them to customers can be a costly process. Yet what do most businesses do when they’ve gotten a new customer? They ignore him entirely and put all their marketing efforts into getting more new customers.

I say that’s utter foolishness.

Once a person has bought from you, that person will most likely want to buy from you again — assuming, of course, your product delivers what you promised.

In other words, your best prospects of all are your existing customers.

Instead of concentrating only on front-end sales, devote part of your marketing to upselling, re-selling, and cross-selling to existing customers. I call it “working the back-end.”

If you sell carpets, your back-end products can include carpet sweepers, vacuum cleaners, protective sprays, and carpet cleaning services. If you sell computers, your back-end can be computer courses, custom software, and computer supplies. If you sell industrial equipment, it can be maintenance contracts, supplies, and troubleshooting services.

The profit you generate from working the back-end can be many times the profit you make from the initial sale.

Explore Back-End Selling

Did you ever wonder how the mega-sized publishing companies that sell massively by mail can afford to shower you and millions and millions of other people with tons of premium offers — just to get you to subscribe, at a discount, to a magazine?

They do it because they can afford to lose money on the “front-end” of their business, so long as they make it up on the “back-end.”

If they can persuade you to walk through the front door — even at a loss to them — they will more than make it up in future back-door profits.

They’ll make it up in reorders and repurchases, and in add-ons and in selling their customers all kinds of ancillary products and services.

The mega-mailers doing high-volume business at the back-end know what the average new customer is worth to them over a lifetime of patronage. They know that a new customer represents enough profitable business in the long run to justify a loss in the short run.

One mail order company I work with loses several dollars on every new customer they acquire, but they know they will make it up many times over in the life of the customer.

Back-end business can be amazingly profitable. I have client companies whose back-end is ten times the volume of their front-end sales! Some of my clients don’t even break even on the front-end, and never lose a minute of sleep over that fact. In fact, they spend all kinds of money — huge, huge amounts of money just to recruit new front-end customers.

Develop a back-end of products and/or services...

Your clients have current customers or clients who are probably very happy with them. They turn to them for an end result they can depend on. Because of the level of trust those clients have reached, it is very easy for your client to introduce additional products or services that give the customer similar or expanded benefits in their lives or businesses.

They also have past customers or clients who are still prime prospects for additional products or services. You can set them up to sell those products or services as a back-end. The concept of a back-end is that you’re introducing both current and past customers to new ways you can help them improve their lives.

The key to developing the back-end is to earn your clients’ trust by consistently and honorably providing the valuable end result they seek. In this way you can begin to introduce other products and services over time. They will readily buy only as long as you continue to provide the levels of value and service they expect.

One of my clients offered to sell a collection of rare coins to his new customers for just \$19. He actually lost a few dollars up front on every sale.

“Up front” is the key, because of the 50,000 people who bought a coin set at \$19, nearly 10,000 came back and bought on the back-end for \$1,000 or more. My client made \$2,000,000 (yes, two million dollars!) on the backend.

But that’s just the first step. Once every three months this client goes back to the original 50,000 people who bought the \$19 coin sets and gets at least 250 people to buy at least \$1,000 more in coins.

That translates into \$50,000 in back-end profits every three months, above and beyond the \$2,000,000 I’ve already told you about.

My client then goes back to those 10,000 people who bought something for \$1,000 and gets about 1,500 of them to buy more within the first nine months. The average additional order is \$5,000, which makes my client another \$1,500,000.

And those 1,500 customers keep ordering an average of one-and-a-half times a year. That means an additional \$1,500,000 in business every year comes from the back-end.

The back-end is vital to any business...

Look again at the above illustration.

If my client had only made that first \$19 sale and not cultivated the back-end, he'd have missed out on many, many millions of dollars in business, and actually lost money on the customer.

Make Conservative and Inexpensive Tests To Determine Your Market

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 I'm 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?

Building A Valuable Back-End

For our purposes here, 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.

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 walk 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 that 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 whom 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.

Break Even on the Front-End

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.** But you have to know your marginal net worth.

In other words, know what you’re willing to pay to “buy” a customer. You can afford to pay a dollar less than your marginal net worth because you’ll still be making a profit on the back-end.

Once you know the dollar amount you can spend to buy a customer, here are some ways you can go about it...

You can 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.

You can spend more to buy an ad or a customer. Once you know that for every \$100 you spend, you’ll make an annual average profit of \$300, then you’ll know what your limits and what your extremes are. You could take that \$300 and reinvest it in direct-response advertising, or invest it directly into your customer base.

You can spend more by running more direct response ads. Thus, you continue testing and pulling in more clients.

You can spend more by putting more in with your package deals and special bonuses. Add extra incentives to your packages. 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. Your free bonus can be a part of your back-end. If you sell lawnmowers, your offer could be a sample of a terrific fertilizer that you also sell.

You can give a bigger sales commission to your salespeople. If your salespeople bring in a new customer, give them the net profit of the initial sale. Then, continue with their regular commission for the duration of that customer’s time with your company. Any decrease in your initial profit will be made up in the back-end profits. It will also motivate your salespeople to initiate leads and prospects.

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. Another way to “buy” customers is to give a very generous package of your product or service to someone in exchange for his or her endorsement.

Remember that a well-done endorsed ad from someone, aimed at his own list of satisfied customers, will generate a heap of orders for you. It’s well worth it for you to spend a sizeable sum to spark the endorser’s interest.

Marketing Mistake: Not Having A “Back-End”

Most companies never address the back-end or residual part of their businesses. But the back-end is all-important.

Until and unless you can identify how much back-end business you can expect, you won’t know how profitable or unprofitable an ad, sale, customer, or promotion really is. For example, if you run \$10,000/week ads in the newspaper, and they produce \$9,000 in retail sales, it looks like you are losing \$1,000 or more (I’m not figuring the cost of the product sold or services furnished).

But are you losing in the long run?

If you induce those new customers to purchase a similar product or service from you within 45 days, you double the value of the customer, and all of a sudden you’re far into profit instead of loss.

Motivate them to come back once every three months and repeat the average transaction, and you’ve set up an annuity. All from an original \$1,000 loss, which you subsidized. But within three months, or less, the back-end business should offset your subsidy several times over.

The same dynamics apply to salespeople and sales. If a salesperson costs you \$2,000 a month in base salary and all he/she sells each month is \$2,000 in new business, it sounds bad. Yet, if the new customers do repeat business, or if you develop a back-end that converts normally one-shot sales into repeat customers, you accrue fabulous future income even if your salesperson loses you money at first.

If every month you bring in 20 customers who initially spend \$100, and you get them to spend \$100 every three months, soon you’ll have 600 people spending \$100 every three months. That’s \$60,000!

Another part of back-end dynamics is harvesting the “residual value” of a customer. This takes a lot of thought, experimentation, and careful analysis.

Look for logical product or service extensions to offer your customers. Experiment with salespeople “locking clients into” an ongoing purchasing commitment. Experiment with capturing their names and telephone numbers and mailing them a specific offer, or making a specific offer by phone and measuring the response.

If you are basically a one-product or one-service company, seek out other products, companies, or services to offer your customers as your back-end. Be open-minded about other products, services, and companies that might fit, based on either demographics or areas of interest. Religiously, work the back-end over and over again. Ironically, most businesses rarely try to resell their current or previous customers. You should do it constantly.

The principle is this: Once a customer has patronized a business and has been satisfied, that customer is then poised to repatronize your products or service over and over again.

Simple as it sounds, the company usually has only to properly ask to receive that patronage. And normally, it doesn’t matter what the business is, the dynamics of redeploying that customer are really the same.

As a specialist in back-ending (also known as “post-purchase” selling) I’m frequently called into companies of every type when substantial revenue-generating activities are desired and the company retaining me has a very limited amount to spend. On many occasions I’ve produced big bundles of profits just by sending out a properly crafted letter requesting action by the prospective buyer.

Can it be this easy? Yes!

Avoid the High Cost of Acquiring New Customers

You probably realize that the cost of acquiring a new customer or client is massive. It doesn’t matter how you acquire them. If you run lead-generating ads or mailings, or go to ten trade shows to collect names and you process them, you have to value that total cost both in direct and indirect expense. You have to then divide it by the number of people and years, or the effort

and follow-through, promotion and collateral material, phone calls, travel, and trips it cost you to acquire them.

If you are a retailer you may pay a premium price for rental space in an enclosed or strip mall. That enormous rent has to be divisible into how many customers or new prospective customers visit you. If you pay salespeople, you may be paying up to \$700 a call.

The point is, the acquisition cost of acquiring a prospect or a customer is profound. You’ve got to ask yourself, “What else can I do with and for that customer or prospect after I have acquired him or her?” The cost of reselling them is inconsequential. But it may cost you \$1,000 or more to get them in the first place. Some of the technical people selling very expensive products or services may sometimes spend \$20,000 to get a customer — or more.

So when you’ve done that, your question has to be, “How many additional ethical and beneficial ways can I extend the purchasing capacity of that customer to my business?” The concept here is first a recognition on your part that you have, and are, and will continue to invest mightily and massively in your customers and your non-converted prospects.

You have an obligation and a responsibility both to them and to your company and its shareholders, and your families and the families of everyone who has committed their lives to you, and their fates and their futures, to optimize that investment. (But you don’t know exactly what that means yet, because we haven’t introduced that.)

Be Pro-Active on Behalf of Your Customer’s Best Interests

So let me give you the mental template. First of all, how many people have a product or service that is either repeat or re-purchasable for a number of transactions? How many have other products or services they directly either own, create or distribute that are logical complements, adjuncts, or continuations of the initial product or service that your customers or clients purchase?

Whatever you sell, whether it’s a highly re-purchasable or a permanently and perpetually re-purchasable product or service, your philosophy and strategy has got to be to go from reactive to proactive — from informal to formal — to get the customer to buy as often and continuously in the future as is in their best interest.

And you’ve got to put their best interest ahead of all the decorum and the inhibitions. A lot of people say, “I don’t want to be intrusive and push them.” That’s not the right attitude.

If you know that if they avail themselves of your product on a more continual basis — a more constant basis — they’re going to get a greater outcome, benefit, and their life is going to be protected, enhanced and enriched... you are doing them a grotesque disservice... you are stealing and being more manipulative by not asserting yourself in a more formalized and strategic manner. Does that make sense?

Let’s pretend that I had Jay Abraham’s Bottled Water Company. You come to me and want to buy a half a glass of water and you’re willing to pay for it. If I readily and instantly sold that glass of water to you without any other commentary or dialogue, and I knew from all my research and knowledge of water and its effect on your system that you need to consume eight of these little puppies every day, seven days a week, for all of your life to ensure that your mind chemistry worked correctly, your physiology functioned, your body worked, your muscles worked, your body eliminated, cleansed, and did all the things it’s supposed to do...

...but I went ahead and let you buy the half glass without doing everything in my power to get you to buy the equivalent of eight glasses, even if you took the other seven home and promised me you would consume them today — I would be doing you a horrible disservice.

If you came two days later and wanted to buy another couple of glasses, but in my heart of hearts I knew you hadn’t had any more water since that half glass, and I didn’t do everything in my power to get you on a regimen of those eight glasses a day, every day of your life, through me or through somebody who would render it to you — I would be stealing from you, your health, your capacity to perform and live a long, rich life. Doesn’t that make sense?

It isn’t about manipulation. It’s quite the opposite. It’s about obligation and responsibility. But you will find that if you take on the role of trying to better and enrich somebody’s life — which you’ve done, consciously or unconsciously when you decided you would sell any product or service — either you’re a sham, a charlatan and a fraud and you bring no value to people’s lives — or you bring value. Isn’t that true?

Well, you’ve got to take a stand, and I’d like to see you take the stand on value because it can be a lot more emotional, fervent, and passionate. You can be almost crusade-like in your

conviction. And I’m not suggesting you have to be evangelical, but I’m saying you’ve got to get into this philosophy to appreciate that you have an obligation to your customer on this back-end.

You have an obligation to your business to be able to reclaim all the money you’ve invested and put it to better use for everybody, including your customer. You have an obligation to your customer not to let them experience a fraction of the benefit that sustained use of your primary product or service, and all the complementary products or services that enhance their capacity to perform well, or protect well, their lives or businesses can produce.

A Good Back End Makes a Good Business

You have to look at the dynamics of your business too. The more back-end predictability you get out of a customer — meaning the more repurchases and the more profit a customer predictably gives you over their usable life — meaning, in turn, the duration they will become or sustain being a customer of yours, and the more predictable your business (as opposed to a promotion)... the more you can afford to invest or spend to acquire that customer or prospect in the first place.

In other words, if you’re a one-shot product... or you are a multi-purchase product but you have no formal selling strategy, progression or sustaining mechanism in place to strategically assure that every one of your customers buys the largest amount, the most frequently they should for their best interest, not for yours... and you’re getting a fraction of their capacity to buy... you may deny yourself one or two equivalent expansions of your annual turnover just by not helping the customer buy all they should be, as often as they should be buying.

This is not trickery. It’s really true. And when you realize that, helping the customer buy all they should gets much more exciting.

But suppose all of a sudden a customer buys once and never buys again, (and there’s no reason they *couldn’t* buy three times a year forever). Do you realize what that just did to your allowable marketing budget — to how much less you can now justify spending to bring them in the door?

Because they’ve just become three times less profitable, times forever. Now you’re left with spending \$100 to bring them in the door. Had they continued repurchasing, you may have been able to spend an infinite amount — but certainly more than \$100.

With that additional money you can run ads in more places. You can spend money, give more commission, hire more people. You can do a lot of things. But it all stems from that sustained repurchase, because that is the generator or the creator of the revenue stream that makes it all possible.

I want you to get acclimated to the concept of lifetime value, or marginal net worth, or allowable cost. It is a phrase and a concept most people have never even contemplated.

What is marginal net worth or lifetime value? 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 product or service-fulfillment expenses. Let me explain that for you.

Lifetime Value and Marginal Net Worth

When I talk to people to try to figure out the way to break their business out of the rut and skyrocket rapidly and safely to higher levels, the first thing I ask them is “What is the lifetime value and the marginal net worth characteristics of your customer?” And they just look at me.

I say, “Let me explain it differently. When you get a new customer in, worst case, what’s the minimum they’ll probably buy initially, and what does that minimum translate to in predictable profit?”

In other words, if you know that people buy between \$100 and \$1,000, then worst case is \$100. And if you work on a 50% margin, then you’re going to make \$50. (Best case is \$500, but I don’t look at best case. You always screw yourself up that way. If you go worst case, you’re always delightfully impressed, surprised and enriched.)

So I ask what the worst case a customer is worth in the first transaction. Then again worst case, how many additional transactions a year can you expect that customer to do with you? And what will be the worst case profit that will be worth it to you? How many years can you predictably and conservatively expect that revenue stream or that profit stream to continue?

All these questions suppose that you’re taking your business as it is today, with no changes. What do you know about your business today without any marketing improvement, philosophy changes, or any of the information you’ve been exposed to by me? What do you know right this moment?

Keeping that in mind, here’s a step-by-step on how to calculate your customers’ marginal net worth:

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 costs 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.

You do, however, have to consider the marginal cost associated with getting that additional business. We’ve assumed up ‘til now that everything’s full cost. That may not be the case if you were adding extra business.

Most businesses can handle a rather substantial amount of increased business with very little direct cost. You don’t have to add much more staff, equipment, etc. You just have the direct associated cost. So each additional transaction up to the point where you have to expand your facilities or buy a lot more equipment or hire more staffing, or go to the bank — each one of those transactions is many times more profit.

In other words, there’s a certain level where it perhaps will become unprofitable, because you’ve got to add 500,000 square feet and hire 12 delivery people and buy 15 new trucks or a \$1 million piece of equipment. But up until that point, if you’re at 70% utilization, until you get to 100%, that other 30% can be five, six, seven times more productive and profitable, couldn’t it?

So the concept of marginal net worth is figuring out what a new customer is worth to you, worst case, just to get him in the door. Because most people don’t ever think about that.

When you do, it will finally take the whole concept of building a business and growing it out of the realm of conjecture or abstraction, and make it extremely scientific.

Let’s continue our example. You know that on the first sale, worst case, you’re going to make \$100. But every time you make that \$100, that accrues for you another \$100 every month for the next five years or longer.

Do you think maybe you could afford to spend 100% of that first \$100 to get that customer in? Do you think maybe if your pockets were deep enough, and your cash flow good enough, maybe you could spend \$200 to make that first \$100? Could you spend \$500? I’m not suggesting you go negative. I just want you to realize how powerful this concept is.

Do you think that if right now you’re spending \$10,000 a month on advertising — because all you know predictably is you bring customers in one transaction... but if you set a formalized follow-through system that would get those customers to start buying three times more a year — that you might be able to justify a much more expanded advertising budget to bring more people in, because you’d be accruing a longer, more predictable stream of income?

And do you think also that the more predictable your stream of income, the more sellable, valuable and bankable your enterprise might be? I know this: the more formulated, systematized and predictable your business, the more eminently sellable and bankable it is. It’s easier to get financing at primary rates, and to do everything. And it’s harder to go out of business, get in cash flow problems, screw up, and fail.

So I suggest that you move your thinking from wherever you are to here. Now, if you only sell one product, your back-end doesn’t have to be you creating other products. The most valuable asset you’ve got is the customer relationship and the distribution network.

You can go to all kinds of other complementary products that either precede, parallel or follow the usage of yours — or are appropriate for the influence source you’re dealing with, the type of generic buyer you’re dealing with.

And if you have his or her trust... and you source and negotiate great products or services... and you add to those products or negotiate better packaging, bonuses, risk reversal, value, safeties and securities than the open market offers — you’re doing your customer or client a fabulous service.

The “Back-End” Must be Consistent with Your Primary Market

Remember though, always, *always*, only promote back-end products and/or services that are, at the very least, consistent in quality and value with your primary products and services.

When you source these new products, don’t source them as a representative. I often hear, “Well, I’m a manufacturer. I make 50%. Why would I possibly want to go and be a rep and make 10%?” The reason you feel that way is because your paradigm is rigid; I wouldn’t allow you to do that.

I value and revere what you have created at the highest level. It’s an incredible asset, goodwill, rapport and relationship with the customer and distribution network that took you 20 years, each year in which you may have invested up to \$5 million. You may have \$50 million or more invested in your goodwill, advertising, equipment, and your relationships with these people.

You should source all kinds of other products or services that most likely are doing very little, if any, business with your clients, and then negotiate a deal with them where in exchange for selling their products or services, you would keep the lion’s share of the profits — because you’re entitled to them.

You’ve already spent \$50 million to make it easy to sell. They would have to spend that before it would be easy for them. (Though you might make a deal that after \$50 million you’ll give them a better share.)

But revere what you’ve got. You can and should. I’ve done it for lots and lots of attendees and clients. It’s really easy when you get the right paradigm in your mind.

Everything I’m talking about interrelates (and later we’ll get into the specific techniques to do these things). But first you’ve got to say, “OK, if I sell a single product that’s repeatable, I can’t wait reactively for my customer to come to me to re-buy, because I’m doing them a

disservice. So first I need a formalized system and approach to automatically program them ethically to buy at the best intervals and the appropriate quantities.”

You have already taken them from prospect and inquiry status to first purchase status. A lot of people are proud because they get lots of inquiries, but they don’t have a really strong, formal, strategic system in place to keep advancing prospects to customers, and customers to repurchase. (Actually, it should be sales, and then sales to customers, because in my mind a customer is a repurchase. The first time, it’s a sale.) After you’ve done those two things, then you want to see what other products you can either acquire or create.

I tend to be very ethically opportunistic. I go to other people who have already spent five years and \$20 million creating something, and I acquire the rights to joint venture or strategically align with them. I keep at least half — oftentimes, the lion’s share — of the profit, and just give them incremental profit share.

I make them bear the same developmental cost they would have whether I came into their life or not, and put their product or service through my client’s distributive network. They get incremental revenue they never would have had before, and the reputation they never would have had before, and can tap into my clients’ multi-million dollar investment and goodwill, equipment excepted. It’s a very powerful distinction.

If you buy into what I just said, it’s worth millions to you — tens of millions to many of you — hundreds of millions to some of you... and big, big implications.

Once you analyze what a customer is worth to you, it totally changes the dynamics of how you approach your business. Now you know what your allowable cost is. Most people go into business or operate their business with a delusionary attitude about what they can justify spending. It shouldn’t be thought of as spending, because it’s investing — to bring a customer or prospect in.

Remember to analyze your situation as it exists this moment, not after you adopt other strategies and mindsets that I offer, because they will only improve your scenario. If every time you generate ten prospects or inquiries you get two sales, then you’ve got to say, “Well, what does each prospect cost right now to bring in?”

Icy Hot

I’ll give you some examples to demonstrate. I took a client’s product from about \$20,000 to \$13 million in sales in a little over a year and a half with no budget at all — no money, no capital. The product was called “Icy Hot.” It was an analgesic balm, a glob of gelatinous goop that you rub on your arm or shoulder to address rheumatism, arthritis, bursitis, sports aches. It’s like Ben-Gay, Mentholatum, or Tiger Balm.

We sold it for \$3. Our cost to manufacture it was \$.45 — shipped. (This is years ago when chemicals and bulk rate mail were really cheap.) We had no money. We had analyzed, without any real formalization, that the average person buying Icy Hot — something like 80% — liked it and bought it six times a year for life — or until they came up with a cure for arthritis. 6 x 3 is 18, right? \$18 for something that cost a maximum of \$2.70 — 6 x \$.45 — to produce. That’s a \$15 profit a year for life.

I went to a bunch of radio and television stations, and I said, “If you’ll sell this product for \$3 we’ll let you keep 100% if you’ll just give us the names promptly so we can send the product out.” They thought we were crazy. We sold 500,000 customers really quick because they loved it.

Then sales started slowing down. I went to them again and said, “If you keep doing it I’ll give you \$3.45, which is like 115% of the price.” And we got them to sign again, and they thought we were crazier. Who would spend \$3.45 to get a \$3 sale? We loved it. We had everyone motivated.

Why did I offer them the additional \$.45? When we were doing the \$3, we spent \$.45 to ad agencies and reps who could put us in touch with media. I would give them the commission.

As I recall, we built it up to about \$18 million in about three years. This mail order company was so popular that it was sold to a big U.S. pharmaceutical company for tens of millions of dollars. How’s that for a payoff?

Fluid Transmission Products

I had another client. We at least tripled their business in six month’s time just by understanding marginal net worth. They sold fluid transmission products — PVC pipe that’s used in industry and agriculture to transport fluid, such as water to feed livestock, chemicals in manufacturing, syrup for making Coke — the big tubing that you use, and all the equipment that connects it.

They had six salespeople they didn’t manage or quantify. They were all on commission and were getting paid roughly 10% of the profit. They were just breaking even and they really wanted a breakthrough.

I said, “OK, what are the marginal net worth dynamics of your business?” They looked at me, and I said, “Go back and find out.” I gave them a formula for it, and they came back and said, “We found out some interesting things.” I said, “What did you find out?” They said, “Worst case — the average customer is worth \$200 worth of profit per transaction to our company, buys five times a year, and stays with us three years.” And as I recall it was about \$3,000 aggregate profit that every new customer is worth, worst case.

So I said, “OK, it’s real simple. I can grow your business massively.” And they said, “What are you going to do?” I said, “All you’ve got to do is go to your salespeople and tell them that as long as they maintain their previous levels of sales production, you will give them a commission of 100% of the profit on every new customer they bring in for the next six months.

Let’s say the average salesman has averaged \$40,000 worth of production a month from their existing customer. As long as they do not drop below that level from existing customers — they’re on par or above it — every new customer they bring in, give them 100% of the first transaction sales profit.”

They stared at me and said, “Why would we want to do that? We would be giving away \$180 (which was the house’s retention on that first sale).” And I said, “You’re looking at this wrong. Every time you invested \$180 to get a new customer, you would accrue 90% of the \$28,000 in recurring profit you never before would have had. Go back and play with it.”

The point I’m trying to make is not hard once you understand it. My direction to this company (because that’s the only way that they work) was to invest it in sales commission. You can invest it adding something else to the sale. You can spend it in more advertising, or any way you want, but it’s not frivolous. You look at it as a hard-nosed investor. Anybody make a portion of their money or wealth through active investment? This should be exciting to you. Pretty damn good ROI, isn’t it?

Whatever your budget is right now to acquire a customer, that budget just increases exponentially with every additional improvement on the back-end you make. If right now your budget’s \$10,000, or 2% commission, if you get that customer to buy one more time a year

you’ve just increased it. Six more times, and you’ve just increased it that much more. If you add two more tiers of products or services, it’s increased again.

If you go back to prospects you don’t convert and put a system in and start bringing an additional 10% of those online for your products or something else, that just ups the ante of what you can afford to invest to bring new customers in.

Office Products

Last story. I had a client once in the office products field. They generated leads for copying machines, shredders, fax machines, duplicators, word processors — all kinds of things. We would do mailings that cost us about \$1 a piece.

If we mailed 1,000 pieces it would cost us \$1,000, and we would get approximately 5% return. 50 people would respond. Those 50 people cost us \$20 a piece just to know who they were. We’d get a 10% conversion — five people would buy, 45 wouldn’t. Those 45, we had a sunk cost of \$900 in them.

I came up with a very interesting insight that I proposed to the management. I said, “Well, from my way of looking at it, most people are pretty darn busy. I don’t think they’re inquiring because they don’t have interest in that generic kind of product or service.

I think they’re inquiring because they really do. I think we’re not selling them because of a few reasons.

1. Our product either doesn’t have the features or benefits or performance characteristics they’re looking for;
2. Our product is over-engineered and has too many things for them. They just want a simple, down-and-dirty, bare bones version;
3. We don’t have adequate financing, because they want it and they can’t afford it. We don’t have terms, leasing — whatever;
4. Our salesmen or women grate negatively on them, and there’s no rapport.

“Let me try an experiment. Let me get the salespeople to try to assess the real reason they’re not getting the sale, and let me try to work a joint venture with various competitors who have more of the attributes than we do for the various situations.”

And they very reluctantly let me experiment, and we ended up making more money in that business from the people we did not sell than we did from the people we did. But it’s a real paradigm buster. You have to be very enlightened to be able to embrace something like that.

I’m trying to show you how broadly and richly you can take this philosophy. But if you don’t deal with this, you’re missing out on a massive leverage point in your business.

Dramatically Improving What You Do

If you had all the money and time in the world, what other product or service would you love to sell? When you decide what that is generically, all you have to do is go through the Yellow Pages, or go through a Thomas Register and find out what companies manufacture or sell them. Contact them. Don’t buy them as a vendor — approach them on a joint venture. Approach them as a private label supplier.

Aerobic Equipment Manufacturer

The way you approach it makes all the difference. We had, for example, at one of our programs a man who was a manufacturer of aerobic-type equipment that he sold to K-Mart, Park Lane Fashions, and Nordstrom’s. He had 3,000 outlets for one basic product line.

His goal was to grow his business. He didn’t have any other product lines. My suggestion was so simple. I said, “All you’ve got to do is go to every athletic club, every health club in the affluent cities — L.A., San Francisco, Palm Springs, New York, Santa Fe — the real hot places.

Find out where people are creating custom-designed sports attire — shirts, bands, wraps, things like that. Ask them to put you in touch with the creators, because most of the time those people have sold maybe five outlets, and it’s a little cottage industry. Get the right to produce that product in all the areas they’re not selling, and give them a royalty.”

And he said, “Well, I can’t do that because I’d only make 10% as a manufacturer’s rep.” (Sound familiar?) And I said, “Only if that’s what you wanted to be. If you went to him and said,

‘Look. I’m going to get a license for this. I’m going to give you 5% of our wholesale sales,’ all of a sudden you’ve turned it into a proprietary item. It’s the way you look at the transaction.”

We do something that works for us. It may be too much effort for you, or too incongruent with the way you see your business purpose, but we sit down and debrief almost every day. We ask ourselves:

“What did we do right, and what did we do wrong? Could we have done this better? Could we have done it gentler, harsher, more illustratively, definitively, from a different vantage point?” And if we have enough time, then we see whether we can do it before the program is over at least, from that gradient so you can see it in one more dimension... so maybe that dimension is what does it.

Integrate “Back-End” Sales on an On-Going Basis

So you’ve got to develop a back-end product. If you’ve already got one, then you’ve got to formally integrate it as an ongoing sale, not just a reactive sale. If you don’t have one, don’t say, “Well, I don’t have one so it doesn’t apply to me.” Say, “Everybody who’s only got one transaction deserves to look at themselves as a lead-generator for some other back-end product that is either theirs, or could be, or could be a joint venture.”

So make yourself a list. What are all the products? (The same thing goes for joint ventures.) All these things are permutations of four or five basic premises. Ask yourself, what are the products? What are the areas? The transactions that precede and post-cede all the buying processes my product or service contributes to? Can I offer that? What complements, supports, reactivates, rejuvenates, amplifies...?

You can ask yourself two things. The first question is a very linear question. What goes before, after, during, around and through whatever you do? And it doesn’t matter if you sell nuts and you don’t sell bolts — bolts go with nuts.

If there’s somebody who sells bolts and they don’t have good distribution, and you’ve got great distribution because you sell nuts, you can go to them. Remember, don’t be a rep unless you decide you want to be a commodity. You’ve got to revere what you’ve done and what you’ve got. Think instead, “I’ve got distribution.”

And by the way, study the great, great seminal thinkers. I’ve studied a few of them. I really like guys like Paul Pilsner. Paul believes that marketing, innovation and distribution are really today’s capital. And I see distribution as a very figurative, not a literal, word. It doesn’t just mean however you can disseminate either your message or your product. It’s a very broad-based and fluid word.

Distribution is Leverage

He who has distribution has leverage. He who has distribution should revere that distribution as much — if not more — than the generic product or service you’ve got and the customer you’re reaching. If you’ve got the ear of every financial officer in every Fortune 500 company, you might ask yourself, “What other purchasing decisions are those people making?”

How many people have great products or services, but they don’t have a chance in Heaven of getting to those financial officers for ten years? If I could get an instant introduction, and I could make it accessible to them, could I maybe get half of their deal if I presented it right?

If I showed them that I’m not trying to just get paid for a transaction, I’m giving them the chance to take advantage of 30 years of effort, and \$50 million of capital, and 500 of the best-trained people who over the last 30 years busted their butts and performed massively to gain their trust. When I call them and say, “You should talk to Mac Ross about your computer work,” Mac Ross gets in the door instantly. Does that change your focus on what you are?

So here’s your goal: what products or services could you offer, initially through your own product line? Secondly, can you acquire more? Just because you don’t make it or access it doesn’t mean you can’t. It doesn’t much matter if wholesale market value on it is X. Your goal is to find somebody who wants distribution.

Who wants you to be successful at what you want to do more than you do? When you answer that question, you’ll get the answers to everything you want.

There are probably 25 people selling services or products that you could offer as back-end. Half of them may be very successful. Half of them may be qualitatively superior, but unsuccessful. The ones who are qualitatively superior and unsuccessful would put a helluva lot higher value on distribution than the ones who are already successful, wouldn’t they?

You’re bringing the affinity. You’re bringing the key elements. Does that make sense? Think about it. It’s a very powerful distinction that can change you from a struggling, or a mundane business to a massively — an obscenely — profitable and dominant enterprise by one shift of perspective... by one change in thought process.

Chapter Six: Direct Response Advertising

What's the secret to successful advertising? Is it about paying an ad agency lots of money for something clever and "creative?" Is it about cute, monosyllabic frogs obsessed with a particular brand of beer? Is it about sexy models and witty catch phrases and fancy photography?

No. No. And no.

Advertising — whether it's in print, over the airwaves, or via computer — is about presenting a special benefit-laden offer to your specific target prospects. It's about making a successful sales pitch to the right people, and convincing them to make a purchase. That's the whole concept of advertising — in a nutshell.

How do I know? Well, although I won't profess to be the world's foremost expert on advertising, I have spent the past 25 years studying the lessons of some of the best advertising minds ever. By applying their concepts, I've walked in a customer's shoes. When you are able to reach that level of understanding, *you will be able to sell them what they want as often as they want it.*

What Is Direct Response Advertising?

So what exactly is direct response advertising? What other kinds are there? And how does direct response distinguish itself?

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.

Almost every print ad, mailing piece, radio, or television commercial I see is based on "institutional-type advertising." Most institutional advertising tells you how great the company

paying for the advertising is, or how old and stable they are, or some other cute and non-compelling foolishness. At best, it produces deferred results.

At worst — and this applies to 95% of all the advertising I look at — institutional advertising is an ineffective, vacuous, wasteful expense that accomplishes no productive purpose whatsoever. (I'll tell you more about this in a minute.)

Direct response advertising directs people to action. It compels readers, viewers, or listeners to visit your establishment, call you, send in money, or drive their auto down to trade it in on a new model. Used effectively, direct response advertising can produce tons of super-qualified, favorably disposed prospects. It gets people to call, write in or buy.

You must ask for an immediate response. Every ad should have a call to action: call now, mail today, some type of coupon. Pictures of telephones say, "Call now." Coupons say, "Respond now." Surround your coupon with a broken line box or a picture of scissors in the corner.

You can analyze the value, profitability and performance of virtually any direct response ad you run because it produces something you can track, analyze and compute.

The ABC's of Direct Marketing

Some Definitions:

Direct mail is an advertising *medium*. Mail order is a *method* of marketing. Direct response is an advertising *technique*. Direct marketing is all the above.

Most people think of "**mail order**" or "**direct mail**" when they hear the term "direct response" or "direct marketing." Direct response marketing, or simply "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.

Why Use Direct Response Advertising

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 postcard 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 and 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.

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.

No Company Can Get By Without Advertising

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 5% 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 catalog faithfully described the merchandise it offered. He 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.”

Icy Hot — Oh, What a Learning Example this Proved to Be!

If you correctly identify your target audience, their buying cycle, and your own product, direct marketing can literally build a company out of practically nothing.

I met a man once 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, non-quantifiable 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 half 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 GD Searle, the big pharmaceutical house, bought the company for many millions of dollars.

What kind of realistic expectation of the percentage response can you expect to receive on your direct marketing?

That’s very difficult. Everything is kaleidoscopically unique. Some offers will pull 1/10 of 1%, some will pull 10%. But percentages don’t matter. What matters is what’s profitable on a return on investment. If for every time you spend \$1 you bring back \$5, and the cost of the marketing and the fulfilling of the product or the service is 3X and you made 5X, it’s a very lucrative proposition.

On the other hand, I’ve seen offers that pulled 10% lose money because of the cost of the product, postage, and the moderate price the product would bring didn’t justify it.

Don’t worry about percentages. Worry about whether it makes a profit or not.

Advertising is Nothing More than Salesmanship

As obvious as it should be, virtually no one really understands this basic concept. Advertising via radio, television, magazines, and direct mail should all be constructed and implemented in the same demanding way that a salesperson makes a pitch to a prospective customer.

Salesmanship in Print and/or Over the Air

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.

Each ad should make a complete and compelling case for the product. The ad should also advocate your product to the prospective buyer in an educational, informative, and factually supportive way. Your advertising should create visions of a multifaceted product in the mind of your customers.

Many marketers scorn long, “reader-type” ads or long, meaty commercials and opt for short, abstract, cutesy advertising. But remember, advertising is salesmanship. Would you tell your salespeople to stop their presentations in mid-stride?

Would you tell them to make less than a complete and compelling case for your product or service? Would you tell them not to ask the prospect to make a buying decision — to take action, if you will? Would you instruct them to be flippant, cute, or oblivious in the way they communicate with prospects? Of course you wouldn’t!

So, don’t let your advertising fall into the same expensive, nonproductive trap. Once you learn the difference between salesmanship and “cutesy” advertising, you’ll have an immediate advantage over virtually every one of your competitors.

Advertising is Salesmanship

Always bear in mind 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 — the ones that tell people how great and wonderful you are. Institutional ads try to keep your name in front of the public and frankly, as you know by now, they are for the most part an absolute waste of time and money.

I'll say it again — 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, and backs the promise with a risk-free warranty or money-back guarantee.

Your ads need to follow certain guidelines. **Claude Hopkins**, author of the books *My Life in Advertising*, *Scientific Advertising*, and the master of direct response advertising, 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.”

Some advertisers advocate large type and big headlines, but they hate loud-talking, aggressive salespeople. People read all they care to read in 8- or 10-point type. Our magazines and newspapers are printed in that type. People are used to it. Anything larger is like loud conversation. It doesn't get any more worthwhile attention. It may not be offensive, but it's useless and wasteful. And it multiplies the cost of your ad.

Some advertisers look for unusual gimmicks. They want ads that are distinctive. Would you want that in a salesperson? Or does a well-dressed, yet conservative salesperson make a better impression?

Measure ads by salespeople's standards, not by amusement standards. Ads are not written to entertain. When they do, those entertainment seekers are probably not going to convert to your buyer.

That's one of the greatest faults in advertising. Ad writers forget they are salespeople and try to be performers. Instead of sales, they seek applause.

When you plan and prepare an advertisement, picture yourself speaking to a typical buyer. Your subject, your headline has gained his or her attention. Then write your ad as you would speak if you met the buyer face-to-face. If you're a good salesperson, you'll get your best results.

Most people in America sort their mail while standing over a wastebasket. They sort their mail into two piles: "Personal" mail and "junk" mail. "Personal" mail always gets opened. "Junk" mail usually gets thrown away. You want your client's advertising mail to get into the "personal" pile — not thrown away unopened.

Evaluate your advertising's performance as you would your salesperson's. Every marketing technique should employ complete salesmanship and be evaluated like any salesperson on draw against commission.

Is it paying for itself, or is it a drain on cash flow? Everything must justify itself or be replaced. Advertising and marketing are, in fact highly leveraged (or inversely leveraged) forms of salesmanship. If an individual salesperson doesn't produce, that costs money, but it's not fatal. Ads, commercials, or sales letters that fail can cost you your business. Those that are successful, of course, can produce substantial profits.

Direct Response Sells Benefits

The most important thing to understand about your customers or clients or patients is this: They aren't interested in the specific *features* of your product or service. They don't even necessarily want savings. And, as difficult as this may be to believe, they're not really interested in helping you and your business!

All customers — whether they realize and acknowledge it or not — really want just one thing: benefits. They want the benefits that your products and services provide them to help their businesses or improve the quality of their lives.

People Care Most about What is Going to Benefit Them

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. 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.

If the best feature of your business is fast, reliable service, the benefit to the customer may be more time to do the things they really enjoy. If you're selling the latest, state-of-the-art product on the market, why would your customer be interested?

The benefit may be getting twice as much work done in half the time and making twice as much money. If your best selling point is the fact that you have the lowest-cost product, the benefit may be more money available to spend on other things that help improve a person's quality of life — a bigger house, a car, a vacation, etc.

In *How to Write Advertising that Sells*, Clyde Bedell lists some of the benefits that have been proven to have appeal: comfort, better complexion, savings, sexual attraction, pride of possession, time saved, improved personal earnings, better health, prestige, more pep and vitality, and enjoyment. Understand the benefits your customers seek and emphasize those benefits in your ads!

Direct Response as Opposed to Institutional Advertising Ads Should Be Created to Stimulate a Direct Response — Immediate Action

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.

What is the biggest 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.

Institutional advertising, as practiced by most advertisers, is a waste. It doesn't convey any compelling reason for the reader to favor your business over another. It doesn't make a case for the product or service you sell.

The claims made by most institutional advertising are pathetic. In a nutshell: "Buy from me instead of my competitor for no other reason except my selfishness and avarice."

Institutional advertising doesn't direct the reader, viewer, or listener to any intelligent action or buying. It does nothing productive but take up time, space and attention, and wastes enormous could-have-been productive assets.

Direct response advertising is, by its very name, self-explanatory. It is designed to evoke an immediate response, action, visit, call, or purchasing decision from the viewer or reader.

Institutional advertising produces no results to speak of. If you are running institutional ads, change them to direct response. Give your prospects information that's important to them, *not you*. Give them facts and performance capabilities of your product or service or tell them about your guarantee. Give them reasons why your product is superior to your competitors on a human basis that the prospect can understand and appreciate.

Direct response advertising is much more effective than institutional advertising because your prospect doesn't care one iota about you or your motivations. All the prospect cares about is what benefit your product or service renders to him.

Cut Back On Costly Institutional Advertising

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 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.

Tell your prospect how your product or service will improve his life and you'll own your market, pure and simple.

By merely switching over from institutional to direct response advertising, you should improve your productivity many times over.

A new company should especially 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.

Use Direct-Response Advertising, Not Image Advertising

“Image” advertising (another name for institutional advertising) seeks to create an image about your product or your company in the hope that people will remember you when they're ready to buy. Most image ads say, in effect, “Buy from us. We're wonderful.”

As far as I'm concerned, with image advertising, you have to spend a fortune over a long period of time before you get any results at all — and even then the results are virtually impossible to measure.

Direct response advertising, on the other hand, asks for a response now — which means even one ad can bring in cash within days or weeks. Moreover, by its very nature, direct response advertising brings in a response that can be measured. By extension, this also means you can systematically test different ads, compare one against the other, and scientifically determine which one works best.

In almost every case, direct response advertising gives you infinitely more value, dollar for dollar, than image advertising.

And, you can analyze the value, profitability, and performance of virtually any direct response ad you run, because those responses can be tracked, analyzed, and computed.

If you are running institutional ads, change them to direct response. Give your prospects information that's important to them, not to you. Give them facts and performance capabilities of your product or service. Or tell them about your guarantee. Give them reasons why your product is superior to your competitors' on a human basis that the prospect can understand and appreciate.

By merely switching over from institutional to direct response advertising, you should improve your productivity many times over.

Every marketing program should pay its own way. The only purpose of advertising or marketing is to generate sales. It is either profitable or unprofitable, based on sales dollars generated.

Unless it's a new, first-time, customer-generating technique, every marketing program should be a profit center. If your current marketing is not measurably profitable on a per-project basis, discontinue it.

Targeting Your Buyer – Your Platform

Before you can construct your advertising copy or decide what medium to use, you must first develop a platform for your offer. Here's a step-by-step to help you plan your strategy.

Who is Your Most Likely Buyer?

Start with your current customer base. Have conversations with your customers to discover who are they and why are they purchasing from you. If this is a new product, talk to people who may be potential customers for your product.

What are the demographics of your most likely buyer? Base this on your current customer base, if possible. If this is a new product, fill in the demographics for those who are likely customers for that product. Concentrate on those areas that apply to your product; items such as age, sex, and education are more important when marketing products for personal use, while the questions related to type, size, and location of business are more important if pursuing business-to-business sales.

- Age
- Education
- Type of Business
- Address/Region
- Assets/Investments
- Sex
- Title/Profession
- Size of Business
- Income
- Type of person (which approach would the customer most be most likely to prefer):
 - Will I be first on my block?
 - Who else has tried it?
 - Did you do business with granddad?
 - Our committee will have to review it.

List the names of three actual prospects. When considering the next steps in the process, address your Unique Selling Proposition and add to one of them.

For a Bull's Eye, Use the Right Arrow

The importance of addressing your advertising message to your most likely prospects (and keeping your employees busy in the process) is something that I really can't stress too many times.

Let me share a little story with you that makes both of these points in a riveting way:

A retailer in New Jersey wanted to grow her business of selling socks out of a mall store. She thought about using newspaper advertising, but decided that \$5,000 for one display ad was too much to pay for a message that might or might not be read by people who would buy from her store. She wanted to improve the odds!

So, instead of buying a newspaper ad, she decided instead to print up coupons giving away a free pair of socks. Now (quoting from a letter to me) let's let her finish telling us what happened:

“The coupons were handed out to all the people who passed by our store. In this way we targeted our customers as people who generally came to the location of our store.

“The total value of this give-away was \$1,000. (We gave away 1,000 free pairs.) However, the actual cost to us was only \$750. You can see that the savings over the newspaper advertising was almost \$4,250, and I believe the results we achieved were more substantial than any from a random newspaper ad.

“Every person who came into our store, whether or not they purchased anything else, now knows about Sock City.

“On the days that we did the coupon handout we saw sales jump as much as 200%. We always did the handout on the slow days so this would increase our slow day sales. This had the added benefit of making our sales peoples' time more productive on the slow business days.

On average, we found that of the people who came in for their free pair, almost 75% made an additional purchase.”

Identify Your Unique Selling Proposition

Now that you have a profile of your most likely buyer, the next step is to develop a Unique Selling Proposition (USP) if you don't already have one that will appeal to that customer. Be sure to focus your USP on that appeal as opposed to what *you* think is your greatest accomplishment, or what appeals to you.

Use Your USP

As you know, your USP is the indisputably unique advantage that distinguishes your business from other businesses. It's really the essence of your business. It's the benefit or advantageous end result that you provide that sets you and your business apart from every other competitor.

Your USP should be as strong and as self-evident as the Federal Express USP: "When it absolutely, positively has to be there overnight." A clear articulation of your USP provides customers reasons why they should do business with you as opposed to someone else.

Yet, few businesses actually go through the process of creating a USP. Many companies try to be everything to everyone, and they can't understand why they don't possess a unique advantage in the market. They've positioned themselves as a commodity. But how can you expect your customers to identify your unique attributes if you don't *tell them* what they are?

Be sure to integrate your USP into every advertisement or promotional piece you produce. Work it into the headline or subheads of your print ads. Use it in the opening and closing of your radio or television spots. Incorporate it into your sales letters and telemarketing pitches. Everything!

Choose Your Direct Marketing Media

Now that you have established a platform based on your most likely buyer and USP, you are ready to develop an ad. Be sure to consider your most likely customer and your USP when deciding upon an advertising medium and ad copy. To be successful, you must advertise where your potential customers are most likely to be and with an appeal that mirrors your USP.

What Are The Expected Results?

What do you hope to accomplish with your advertising? Is this an attempt to make a one-step sale, or to collect leads for further action? Consider your most likely buyer. Will he purchase your product or service directly from your ad or are additional steps necessary to close the sale?

In considering the medium for your advertising message, first consider whether your most likely buyer is likely to see it. Then, consider your expected results.

The cost spent on marketing should be in direct correlation to the expected lifetime value of the customer attracted by that advertising. The four main aspects to consider are the cost, difficulty, risk, and yield for that advertising as it relates to your expected results.

Here is a check-list of various media:

The Card-Pak Card

- Cost: 5 cents
- Difficulty: Low
- Risk: Low
- Yield: Low

The Postcard

- Cost: 15 to 20 cents
- Difficulty: Low
- Risk: Medium
- Yield: Medium

The Package Insert

- Cost: 10 to 15 cents
- Difficulty: Low to Medium
- Risk: Low
- Yield: Medium

The Sales Letter

- Cost: 30 cents to \$1.25
- Difficulty: High
- Risk: High
- Yield: High

The Catalogue

- Cost: 25 cents to \$5.00
- Difficulty: Medium to High
- Risk: Medium to High
- Yield: High

The Space Ad

- Cost: \$50 to \$5000
- Difficulty: Medium to High
- Risk: High (Except to PI's)
- Yield: High

The Radio Ad

- Cost: \$100 to \$10,000
- Difficulty: Medium to High
- Risk: Medium to High
- Yield: Medium to High

The Cable Television Ad

- Cost: \$500 to \$50,000
- Difficulty: High
- Risk: Medium to High
- Yield: Medium to High

The Television Ad

- Cost: \$2000 to \$5 million
- Difficulty: Highest
- Risk: High
- Yield: Out of Sight

The Telephone/Telemarketing Script

- Cost: \$5 to \$50 per hour
- Difficulty: Low to Medium
- Risk: Low
- Yield: Low

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 upon 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.

Frequency also depends on the success rate. At times in my company, our offers work every two weeks. We can mail our customers twice a month and get good results. At others 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 often are.) 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 coming in for service. If it's a doctor's office, encourage them to keep coming in for checkups.

Service Company

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 service people, 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 service people will already be working in your neighborhood when they come by to service your cesspool.

We simply pass the savings onto 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% to 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!

PI Advertising Can Make Sweet Deals For All

Another advertising method comes from ad wizard John Mauldin.

One of the most interesting forms of marketing is "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 also 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 is "card decks" — those half-inch or one-inch stacks of business reply cards that come in the mail, 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's 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 PIs.

2. **Broadcast Media.** National TV networks will not take PI advertising, but local independents, cable stations and cable network 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 PIs 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.

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 is money. If a magazine can sell 66 pages of advertising in a 148-page magazine and has only sold 60, it's got 6 more pages it can sell. Getting some money is better than no money.

Not all magazines agree with this, however. They 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. 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 that 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.

Bounce Back Advertising

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 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 customer. 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, simply because your pitch isn't crowded out by 47 others.

A Few Things For You To Know About 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."

People will go through the classified ads and they'll scan for that word. And every time there's something free, they'll stop. And you'll get a lot more calls, whether they're as 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. The back page is number two, then the right side of the page, then the left side of the first page, then left on the back pages. And finally, the split center spread.

How To Make Yellow Page Advertising Work For You

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 this commonly used directory. It should be a "given" for every business to appear in the Yellow Pages and make sure it's using 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. A more effective idea may be that of a free offer of samples, or a written report that brings in their call.

Television Advertising's Unique Features

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 Ogilvy advises that 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 that 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 ad, 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 he or 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 thing, is now subjected to 10,000 commercials a year. Make sure he or 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 the package that you want to be recognized in the store.

Make your product the hero of the commercial, as 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, by the way; 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 that 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.

Are You Using Your Choice of Media Correctly?

Here are some questions to help you zero in on whether you’re using your choice of media correctly:

Print

- Have you matched your offers with your markets and used print publications with good direct response track records?

- Have you measured the true results of print media, computing for each newspaper or magazine the number of inquiries, the number of returned goods, net cash receipts per insertion, and repeat business?
- Have you determined how often you can successfully use the same print media?
- Are your ads in character with your products and services and the markets you are reaching?
- Have you explored newspaper inserts, magazine inserts, bind-in cards, tip-on cards, Dutch door newspaper inserts, plastic records?

Broadcast

- Have you selected broadcast media that best fits your objective: to get inquiries or orders? To support other advertising media?
- Have you measured the true results of broadcast media, computing for each station the number of inquiries, the amount of returned goods, net cash receipts per broadcast schedule, and repeat business?
- Have you determined the proper times and frequency for broadcast schedules?
- Are your commercials in character with your products and services and the markets you are reaching?
- Have you determined the efficiency of stand-up announcer commercials vs. staged commercials?
- Have you explored the efficiency of noted personality endorsements?

Direct Mail

- Are your mailing packages in character with your products or services and the markets you are reaching?

- Have you developed the ideal format for your mailing packages, with particular emphasis on mailing envelope, letter, circular, response form, and reply envelope?
- Are your sales letters in character with your offers?
- Are your circulars graphically descriptive, and in tune with the complete mailing package?
- Does your response form contain the complete offer?
- Is it attractive enough to grab attention and impel action?

“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.

Making A Deal How To Buy Media For Pennies On The Dollar

This is about media. More specifically, it’s about the overlooked fact that while marketing is crucial to the success of a venture, oftentimes the mere ability to acquire the media more advantageously is more vital than the best marketing I could possibly craft for you.

For example:

Sex Over Forty

In 1980 I found a psychiatrist who had started a provocative newsletter called *Sex Over Forty*, and he paid the top copywriter in America \$50,000 to write a full-page ad for him. But in all ten newspapers the psychiatrist ran the ad, he lost money.

When I met him, he was totally exasperated. I asked him if he would be willing to allow me to take over the ad from him and take my chances running it in the same newspapers he had already lost money on. I offered to pay him \$3 per subscriber, which was about \$10 more than he was actually realizing when he ran the money-losing ad himself.

He thought I was absolutely crazy, but he willingly agreed.

What he didn't know was that I knew that virtually every major daily newspaper has a "stand-by" rate they offer to national advertisers who don't mind having their ads scheduled at the last minute or run in an inopportune section.

But, standby rates are oftentimes 60% to 90% lower than standard "rate-card" rates and I figured (correctly, I might add) that an ad the psychiatrist ran in *The New York Times* that cost him \$21,000 and produced only \$18,000 worth of sales would have made me a tidy profit at the standby rate of just \$7,500.

Over the next two months I ran 21 ads — all on standby, paying approximately 30% of the prices the psychiatrist paid — and made \$50,000 on a project the psychiatrist lost \$75,000 on.

There are other illustrative examples. In 1981 the newsletter business was in trouble. Most publishers were having trouble getting their mailing pieces to break even. That meant that if the solicitation letter cost \$500 to print, mail, and rent mailing lists for, it barely brought back \$500 in sales. So few publishers were mailing.

I correctly realized that if I could deliver at only \$100 a letter in the same market that broke even for publishers when they spent \$500 a letter, and I got to keep most of the profit, I would make \$400 on every letter I sent out.

So first I made deals with 20 publishers who couldn't afford to mail their promotions out. I took all the risk and paid the \$3 or \$6 per subscription to pay for their fulfillment costs, i.e., the cost of printing and mailing out 12 issues of a newsletter once I brought in a new subscriber. I got to keep all the rest, which, on a \$95 newsletter, came to over an \$85 per subscription profit for me.

Then I went to the four biggest newsletters in the field and I bought the rights to insert eight-page solicitations for other people's newsletters in with their issues — for \$100 an insert.

(Remember my example that at \$500 per mailing, the publisher broke even. But at \$100 per insert, I made \$400 for every piece inserted.)

I inserted millions of pieces and made a gross profit that exceeded \$3 million.

Want another example?

Most people have trouble getting magazine subscriber lists to make money when they mail their offer to them, because it costs 50 cents a piece per mailing (not dissimilar to my example of the newsletters).

Whenever I found someone whose mailing to a magazine subscriber list broke even, I'd go to them and offer to take over the mailing to the magazine list, and pay the mailer a guaranteed per unit-sold commission. They never turned me down, since they pretty much weren't going to mail a break-even list anyway.

The first thing I would do after I made the deal was go to the magazines and negotiate an incredible price for eight consecutive pages of ads in their publication, which I would use to reprint the entire mailing piece that had broken even when mailed to that magazine's subscriber list.

Entrepreneur Magazine

A specific example was *Entrepreneur* magazine. They had 200,000 subscribers. To mail the entire list would cost \$100,000, and all you could expect was to break even. However, I negotiated eight pages for \$22,000 (that's \$78,000 less than the mailing cost) and I generated almost exactly the same \$100,000 in sales as the people did who rented the mailing list and broke even. Only instead of breaking even, I made nearly \$60,000 profit on the transaction.

Do you see now that properly acquiring the media can be more critically important than having a good ad or sales letter?

The analogy applies to other areas as well.

I know of a lot of people who make substantial profits running season promotions. They use outside subcontractors such as fulfillment houses, telephone order services, and ad agencies, etc.

Instead of having a \$100,000 monthly fixed overhead, these shrewd seasonal marketers have mere skeleton staffs during the year, and bring on variable-based marketing resources in the form of subcontractors only when they're running a promotion.

Certainly, the cost per transaction may be a bit higher this way, but the savings when you're not running a promotion or not paying for order departments, warehouses, etc., are considerable.

There are all sorts of profitable applications to this technique.

For example, whenever you see a company starving and trying to exist on a one-product or one service item, try to put them together with a host company that can feed them prospects — or put their customers in front of kindred products or services.

Don't be afraid to try to and negotiate better rates for mailing lists, ads, and radio commercials, since sometimes this alone can be your entire profit.

Above all, stop assuming you have to pay full price for media, personnel, or support staff and services.

Start looking at ways to efficiently reduce the cost of delivering the media, and you'll start amassing enormous fresh profits.

I'll give you one more true story. It's about Media Arts, the biggest operators of cable TV-type infomercials. They produce no shows themselves. They let others risk the \$25,000 to \$100,000 production expenses for a show.

What Media Arts does is to buy tremendous bulk blocks of cable time at 40% on the dollar by prepaying all the cable networks they buy from. Then they wait for producers whose shows don't pull when they have to pay full-rate for cable time. Then Media Arts takes over the shows, paying the producers 20% of the gross.

A show that double-grossed for a producer who paid full-rate would have quadruple-grossed for Media Arts, who pays 400 on the dollar or less.

How To Make Deals That Can Cut Your Advertising Cost

The sky is the limit when it comes to the kinds of ad deals that can be engineered. You already heard about PI (per-inquiry). Let me expand on this, and also point out that the same concept can be applied on a PO (per-order) basis, and also offer you their infinite variations.

PI/PO, you'll recall, 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 more 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.

Now that we've gotten your foot in the door with the media, let's take a look at the elements of your advertising itself. We begin, of course, with your lists.

Identify Your Market

In any advertising endeavor, any effort you make is a total waste if you haven't correctly identified your target. You do this by properly choosing or assembling your lists.

Start with your own internal lists. 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 and phone messages. Organize a central house file.

Make it a procedural part of the purchasing function to see that the name of every prospective 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.

Your Lists and Markets

When working with any list in your direct advertising, whether internal or external, you must be concerned with the quality of that list. Consider the relative effectiveness of various lists when budgeting for costs vs. returns. Weigh your lists with the following checklist:

Effectiveness of Response Lists (Cost: 5 to 20 cents per name)

- House Lists: 100%
- Competitors' Lists: 95%
- Other Buyer's Lists: 50%
- Everybody Else: 0-25%

Compiled Lists

- Cost: 0 to 4 cents per name
- Worth: 0/10 to 3/10

Customer Lists

- Is your customer list cleaned on a regular basis?
- Do you keep a second copy of your list in a secure place to avoid loss?
- Have you developed a profile of your customer list, giving you all the demographic characteristics?

- Have you coded your customer list by recency of purchase?
- Have you worked your customer list by the classic mail order formula: recency-frequency-monetary?
- Have you thought of what other products or services may appeal to your customer list?
- Do you mail your customer list often enough to capitalize on the investment?

Prospect Lists

- Do you freely provide facts and figures to one or more mailing list brokers, enabling them to unearth productive lists for you?
- Have you worked with a competent list compiler in the selecting of prospects who match the profile of those on your customer list?
- Do you test meaningful, measurable and projectable quantities?
- Have you measured the true results of prospect lists, computing for each list the number of inquiries, the quantity of returned goods, net cash receipts per thousand mailed, and repeat business?
- Have you determined how often you can successfully mail to the same prospect list?

Envelope or Carrier Your Teaser Envelope

The first hurdle in getting your direct response advertising read is the carrier device. The best letter or catalog will not get read if it gets tossed out before it is even opened. Suppress any leanings towards cheating to meet that goal — it will probably backfire. But, there is plenty of room for using the envelope to make a good first impression. Consider your audience and remember that it's not cheating to include:

- Pretty Girls
- Discounts
- Limited Time Offers
- Breakthroughs
- News

Two Key Rules Most Direct Marketers Overlook

- Nobody will respond to your mail unless they read your mail.
- Nobody will read your mail unless they open your mail.

Headlines: Key to a Successful Ad

The headline is the most important element in your advertising (and as such, this is an enormous subject). This is true not only for your print ads, but for any form of promotional communication you engage in — the opening sentence or paragraph you use in any sales letter; the opening line of your radio or TV ads; the first words you or your sales people (including in-store clerks, order department staff, or telephone marketers) utter when they engage someone in a sales presentation or one-on-one discussion.

The purpose of a headline is to grab your prospect's *attention*. Your headline should zero in on precisely whom you want to reach — your target market. It should tell the reader immediately and clearly the essence of what you're trying to say in the rest of the ad. In short, it should tell the right people precisely the benefit you're offering them.

When you decide upon your headline — or its opening equivalent — you have spent at least 80 cents out of your advertising dollar. How so? Studies have shown that 80% of your outcome is affected positively or negatively by how and what you communicate in the beginning of your advertisement. In short, your headline determines four-fifths of your success — or failure.

Your Headline

Between 50% and 75% of a good advertisement is contained in the teaser/envelopes and the headlines. When writing headlines, consider that:

- You've got two seconds.
- Headlines are strictly door openers.
- Headlines are an ad for the ad.

When possible, your Unique Selling Proposition should be incorporated into the headline. After all, your USP should reflect the best way to reach your most likely buyer. It only makes sense to put your best foot forward. And since you only have seconds to make an impression, make sure you say it in one clear, short phrase.

Appeal to Self-Interest

Every headline or opening statement should appeal to the reader's or listener's self-interest. It should promise him or her a desirable, powerful, and appealing benefit. If possible, try to inject "news" or "educational" value into the headline also.

The two most valuable words you can ever use in the headline are "free" and "new." You cannot always use "free," but you can nearly always use "new" — if you try hard enough. Other words that work wonders are: how to, now, announcing, introducing, it's here, just arrived, an important announcement...

...Improvement, amazing, sensation, remarkable, revolutionary, startling, miracle or miraculous, magic, offer, quick, easy, simple, powerful, wanted, challenge, advise to, the truth about, compare, bargain, hurry, and last chance.

Always incorporate your selling promise into your headline. And make that promise as *specific and desirable and advantageous* to the prospect as you possibly can.

Good headlines explain how the reader, listener, viewer, or live sales prospect can save, gain, or accomplish something beneficial (or avoid something unpleasant, painful, costly,

frustrating) through the use of your product or service. *Always, always* focus your headlines on the benefit or specific result your prospect will be receiving.

When crafting possible headlines for your advertisements, be sure to stop and think about the headlines that get *your* attention. Which headlines do you like or dislike? Chances are your customers have the same likes and dislikes.

When going through magazines and newspapers or direct mail, take a second to jot down the headlines and techniques that attract you. It's not against the law to borrow some of those same elements and themes for your own headlines!

Writing Good Headlines That Pull

The headline, or its equivalent, is the first phrase you begin your conversation with when a customer or prospect comes in or calls in.

It is also the first paragraph you state when recording a commercial or when meeting people at your trade show booth display.

Remember that your headline should zero in on precisely whom you want to reach, your target market. For example, picture yourself reading the paper; you "scan" it for things that interest you. You scan the headlines. Within a fraction of a second, your brain has processed the information, and decided whether or not you'll even read the article.

That's how much time you have to "flag down" the reader of your ad. But if you've "targeted" your headline message accurately, you'll pull them to your ad like iron filings to a magnet. Even the tiniest ad can have this power...

Here's an example: Imagine for a moment that you suffer from arthritis of the hands. You have just collected the morning paper... and with some pain, opened it up. You start scanning. News headlines... all the small articles. Then... there it is! "New Cure Discovery For Arthritis Sufferers... 94 in Trial Got Relief."

And do you think you'd read the article? You bet! Every word.

“How To Win Friends and Influence People” was a classic headline that sold millions of copies of Dale Carnegie’s books. Can you imagine “Dale Carnegie’s Course in Human Relations” being as successful a headline?

All but 20% of the success of your selling effort is effected positively or negatively by how and what you communicate in the beginning.

A change of headline can make a 20 times improvement in response or acceptance by your customer or prospect of your proposition. And again I must say, every headline or opening statement should appeal to the prospect’s or reader’s or listener’s self-interest. It should promise him or her a desirable, powerful and appealing benefit.

How Many Words Should a Headline Contain?

You may have read about the desirability of having no more than a certain number of words in your headlines. Yet I want to point out that many of the headlines throughout and at the end of this section are, by ordinary standards, quite long. Despite their length, they were successful.

Obviously, it’s not wise to make a headline any lengthier than its primary function actually requires. However, you shouldn’t worry if your headlines are longer than usual — provided the headline’s high spots of interest are physically well broken up and clearly displayed — and provided the personal advantages promised to the reader are presented so positively that it is almost as though his own name appeared in the headline.

Worth recounting is the story of Max Hart (of Hart Schaffner Marx) and his advertising manager, the late George L. Dyer. They were arguing about long copy. To clinch the argument, Mr. Dyer said, “I’ll bet you \$10 I can write a newspaper page of solid type and you’ll read every word of it.”

Mr. Hart scoffed at the idea. “I don’t have to write a line of it to prove my point.” Mr. Dyer responded. “I’ll only tell you the headline. That would be... ‘This page is all about Max Hart!’”

Power Words Produce Powerful Results

Remember, the two most valuable words you can ever use in the headline are “free” and “new.” I’ve already given you a list of other words — all very common, all very powerful. Don’t turn up your nose at these clichés.

They may seem trite and shop-worn — 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.

People are looking to gain more advantage, result, benefit, pleasure, or value, from their lives... from their actions... from their jobs or their businesses and definitely from their relationships. And they want to avoid more or continual pain, dissatisfaction, frustration, mediocrity, and unpleasantness from their lives.

Avoid blind headlines — the kind which mean nothing unless you read or listen to the whole proposition, because if you don’t gain your prospect’s attention and desire *immediately* with your headline, that prospect won’t listen, read or pay attention to the rest of what you, your ad, letter, or sales message says.

Attraction of the Specific

Let’s stop here to impress upon you how significant a part the “specific” plays in so many good headlines. It appears in many of our initial headlines. I’ll show you how magnetically it helps to draw the reader into the body of an advertisement.

Many headlines contain specific words or phrases that make the ad promise to tell you: How, Which, Which of These, Who, Who Else, Where, When, What, Why. Note how frequently exact numbers are used: number of days, evenings, hours, minutes, dollars, ways, types of something.

This “attraction of the specific” is worth your special attention, not only as it relates to words and phrases, but also concerning the headline ideas themselves. For example, compare the appeal of “We’ll Help You Make More Money” with “We’ll Help You Pay the Rent.”

What Kind of Rewards Do Good Headlines Promise?

The answer is that good headlines explain how the reader, listener, viewer or live sales prospect can save, gain, or accomplish something beneficial through the use of your product — how it will increase his or her mental, physical, financial, social, emotional or spiritual stimulation, satisfaction, well-being, or security.

In short, good headlines spotlight the greatest “benefit” you are offering a sales prospect.

Or, conversely, how it will decrease your prospect or customer’s fear of poverty, illness, or accident, discomfort, boredom, and/or loss of business or social prestige or advantage, success, prosperity, richness or wealth?

Or, if you take a deliberately negative tack, they point out how the reader can avoid, reduce, or eliminate risks, worries, losses, mistakes, embarrassments, drudgery, or some other undesirable condition for the use of your product or service. (I’ll give you more on this in a minute.)

I can’t say it enough. Whatever product or service you may think you are selling, always, when constructing your headline or opening statement, remember this:

Your customer is not buying a product or a service. They are buying a result, benefit, advantage, protection, increased pleasure, etc., etc. that your product or service or company can offer or provide them.

Always, always focus your headlines on the benefit or specific result your prospect will be receiving.

Tips About a “Negative” Approach

Research shows that most negative headlines don’t work — unless you use negativity to underscore any undesirable results the prospect can expect to eliminate or avoid.

“Accentuate the positive; eliminate the negative,” said an old song. For years that has also been the refrain of the advice often given to copywriters. Discussion about negative headlines has sometimes sparked more fire than enlightenment.

Yet some headlines are completely negative and others start with a negative approach and become positive. So the negative approach must have some good reason for existence. It has. What is it?

One of the primary objectives of a headline is to strike as directly as possible right at a situation confronting the reader. Sometimes you can do this with greater accuracy if you use a negative headline which pinpoints the reader’s ailment, rather than alleviation of it. For example, “Is YOUR Home Picture-Poor?” — “Have YOU a ‘Worry Stock?’” — “Little Leaks That Keep Men Poor.”

So when you face that kind of situation, you can “accentuate the negative.”

Now let’s move on to more guidelines to effective headline writing.

Putting Headlines To Work

You can multiply the effectiveness of any ad you run, letter you send out, sales call your people make, retail sale your store does, or size of transaction your practice generates merely by changing and improving the power and effectiveness of your headline.

Here are some other formulas for creating great headlines or opening statements.

- Begin your headline with the word, “*Announcing.*”
- Use words that have an announcement quality to them.
- Begin your headline with the word, “*New.*”
- Begin your headline with the word, “*Wow.*”
- Begin your headline with the words “*At last.*”

- Put date into your headline; i.e., “January 18th.”
- Feature the price in your headline.
- Feature the price reduction or a reduced price.
- Feature a special offer.
- Feature easy or more attractive payment terms.
- Feature a free offer.
- Offer information of value.
- Tell a story.
- Begin with the words, “*How to.*”
- Begin with the word “*How.*”
- Begin your headline with the words “*Why*” or “*Which.*”
- Begin with the words “*Who else.*”
- Advice to offer the reader a test.
- Use a two-word headline that refers to a need or situation.
- Warn the reader to delay buying until they compare benefits and performance.

Headlines advertise many different kinds of products and services. Some are sold in retail stores, some by sales representatives, some by direct mail to the customer. But regardless of what the product is or how it is sold, the principles discussed here apply.

Remember, Rule Number One for high impact headlines is “*State the Benefit.*”

Failure to use a powerful benefit or result-based headline can cost an advertiser 80% to 90% of the potential effectiveness of that ad because the prospect will pass over it.

Headlines must make a promise of a highly desirable result the person will receive in exchange for reading the ad or listening to the message.

Headlines for “Broad Selection” USPs

The headline is the ad for the overall ad. It must incorporate your company’s USP. If your USP is “broad selection,” here are some headlines you could use:

**We Always Have 200 Different Widgets in No Less than 15 Different Sizes
and 10 Desirable Colors and With a Selection of 20 Optional Features
in Prices Ranging From \$6 to \$600**

or...

**5 Times the Selection, 4 Times the Color and Size Choice,
3 Times the Number of Convenient Locations,
2 Times the Guarantees and Warranties,
and Half the Markup of Any Other Dealer!**

If “discount price” is your USP, or corporate advantage, these headlines could skyrocket your sales:

**We Sell the Same Brands of Hardware
as Company A or Company B at 25% to 50% Less**

**Top-Quality Widgets Usually Sell for \$250 to \$1,000.
We Sell Them for \$95 to \$395. Which Would You Rather Pay?**

**Most Professionals Start Billing You the Moment You Walk in Their Door.
That Can Add Up to Thousands of Dollars. At PDQ Services,
Our Fee Is Always a Modest \$99. No Exceptions. No Tricks.**

Headlines for “Service-Oriented” USPs

Here are some very useful and effective headlines for a “service-oriented” USP approach:

When You Buy a Compact Disc From The Warehouse or Sam Goody, You Own That Disc, Whether You Like It or Not

When you buy a compact disc from us, you get a 90-day, 100% money-back guarantee, just in case it’s not what the critics made it out to be. And you get bonus credits toward any other album, cassette or compact disc we sell for every disc you buy and keep.

If Your Car Breaks Down, We’ll Tow It — FREE! (Always use that word “free” as much as you can.)

Here’s an added benefit of placing your car insurance with XYZ Agency.

Most Locksmiths Work From 9 to 5 — But Those Aren’t the Hours When You Can’t Get Into Your House or Car

ABC Locksmith Company will send a locksmith whenever you need one. We have 20 service people on 24-hour call, seven days a week, 52 weeks a year — including holidays. No extra charge.

Headlines for the “Snob Appeal” USP

Here’s an interesting possibility of a headline that offers snob appeal:

Only 1,200 XYZ Deluxe Midas Sedans Are Produced Annually

900 stay in Europe where they originate. Of the remaining 300, 50 go to Japan. Of the remaining 250, 100 go to Canada and Australia. Each year, only 150 come into the United States. Of that 150, only 20 are sent to New York — and WE’VE GOT 15 OF THEM. We’ll offer them at very fair prices to our best customers, as long as the sedans last.

Use your best headline (as determined by testing) in every ad and in every letter to your prospects, customers and past customers.

You should also use a headline, or “mini-pitch,” in every commercial.

Tips On Headlines That Work Best

- One that promises the reader a large and attractive benefit.
- A headline that offers topical “news.” If your product or service is newsworthy, put that special news announcement right at the top of your ad.
- 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, specifics out-pull generalities. Personalize a headline by singling out the city, state or group to which it’s directed.
- Avoid humor and double meanings in headlines; they waste space and are nonproductive 95% of the time.
- The simple failure to test headlines against each other could cost you more than half of your profit potential.
- Don’t ever run an ad without a headline. And test to see which headline pulls best.

The Primary Viewpoint — The “Point of You”

The most obvious mistake most people make when writing or creating headlines is they forget to adopt the “YOU” attitude. To create a powerful headline, your message must telegraph benefits the prospect himself or herself can expect to receive.

Your headline or message never should talk about “we” or “our” product, service, or company. Each and every possible benefit or result must be written or expressed with the individual reader or prospect’s selfish, direct interests in mind.

This is a lesson you already know well. But to stress its importance, let me point this out to you: Most headlines actually contain one of these words — “you” “your” or “yourself.” Even

when the pronoun is first person singular (for example, “How I Improved My Memory in One Evening”), the reward promised is so universally desired that it is, in effect, really saying, “You can do it too!”

Thousands of words have been written about the “*point of you*” — but let me remind you that, given a fountain pen, 96% of 500 college women wrote their own names; shown a map of the USA, 447 men out of 500 looked first for the location of their home towns!

Howard Barnes of the American Newspaper Publishers’ Association really was on target when he said, “To call up an image of the reader, all you need to do is pin up a target.

Then, starting at the outside, you can label his interests in this order: the world, the United States, his home state, his home town, and we’ll lump together in the center his family and himself — me. Myself. I come first. *I am the bulls-eye.*”

Now, Let’s Write a Headline for Your Business

It’s easy. Get out some paper and a pencil and start by doing the following. First, ask yourself this question. “What are the key or primary reasons why (and “reason why” is a key recurring theme in everything I’ll share with you) my customers acquire, desire or seek my product or service?

In other words, what is the primary benefit, advantage, value, performance, result, improvement, reduction, avoidance or advantage they end up receiving or getting when they use your product service or business?

You should have multiple answers to this question. When you get them, rank them by the most valuable and specific and the most frequently desired.

How many ways can you specifically measure or compare or denominate the effect or benefit your product or service for a customer? Write as many as you can down on a sheet of paper.

Now go through each one of the elements I just shared with you and apply it by modifying it to your situation. For example, pick out a few of the words that work wonders, and try adding them to the result or benefit or advantage your product or service produces.

For example, “How to Rid Yourself of Stress Overnight...” “Announcing A Way to Get Twice the Productivity Out of Every Hour You Drive to Work.” “Amazing Discovery — Get the Job of Three People Done for the Cost of Just One,” etc.

Take each one of these “wonder words” and try your hand at writing a powerful headline. Do the same thing with the tested “key word,” making sure you write each statement or cluster of thoughts down separately.

Don’t Stop Now — The Fun Has Just Begun

Great copywriters and legendary sales trainers spend days... sometimes weeks... laboring over the details of a headline or opening statement for an ad, letter or sales presentation. Why? Because, those “pros” know how much pay-off this process produces.

Don’t limit yourself to creating just one single headline. The great masters I’ve learned from would write no less than 100 different approaches before they kicked out the three to five best, most powerful selections they would test out.

You should not settle for anything less.

The more headlines and opening propositions you write, the more this mind-set will become your own.

If it’s a little uncomfortable at first, that’s perfectly normal. Try this simple exercise if you get stuck: Ask yourself to fill in the blank describing the most powerful result or benefit your product produces.

If you were talking to a prospect about this result, you’d be telling them how to... what? Once you fill in that blank with the answer to the result your product or service produces, you’ve written your first really good headline — so keep going!

Stale News to the Advertiser May Be Fresh News to the Reader

The value of this technique becomes apparent when you realize how many of the most effective headlines employ it. “Get news (or new value) into your headline” is probably the best way to define it.

Since you can’t pack everything into a headline, stick to your principal appeal — but give it news value if you can. And remember that what may be stale news to the advertiser may be fresh news to the reader. The advertiser is, of course, thoroughly familiar with his manufacturing methods, the ingredients he uses, the function of the product.

These topics may have no news value for him. They may even be similar to those of his competitors. But that is not true of the readers of his advertisements. Something about the product or the service it renders may be entirely new and sensationally persuasive to the public. And the advertiser who features it first captures its appeal for himself, regardless of the “me too” efforts of competitors who may have heretofore failed to capitalize upon it.

Many companies have found an element of their product or manufacturing process, even if it was commonplace in their industry, and produced huge advertising results by highlighting the feature or process.

The Power of Emulation

In the beginning, you don’t have to recreate the wheel. Merely go through each reference area, like the headline multipliers, and the formula for creating headlines and modify each one to your situation.

You’re ready to begin development of your first successful headline. Read other headlines, consider your benefits, uniqueness, and advantage, draft dozens of headline ideas, formulate and eliminate less valuable ideas and test your best headlines.

After you’ve written 25 to 50 good headlines or opening statements, organize them the way you did the results you wrote down in the beginning — picking out the best five that make the advantage/result apparent to the customer.

I guarantee you this: If you only do this with me and create 50 to 100 trial headlines and choose the best five — one of those five will out-produce your current headline or sales opening by 35% to 1,000% or more.

Power Headlines Produce Powerful Results

You may find it incredible how the use of a headline can alter the results of the entire ad or letter. I have tracked and compared hundreds of headlines and been amazed at the vast improvement in results that one headline can produce over another headline. Let me illustrate this principle here with a few real-life examples:

An insurance company tested these two headlines against each other:

What would Become of Your Wife If Something Happened to You?

and

Retirement Income Plan

Believe it or not, the second ad pulled 500% more response than the first. It's a simple yet effective headline.

A famous correspondence school tested these two headlines:

Announcing a New Course for Men Seeking Independence in the Next Three Years

and

An Up-to-the-Minute Course to Meet Today's Problems

The first headline (which started with that magic word "Announcing") trounced the second headline by about 370%.

An insurance company compared these two headlines:

Auto Insurance At Lower Rates If You Are A Careful Driver

and

How to Turn Your Careful Driving Into Money

The first headline was *1,200%* better in testing.

I could go on and on! In all these cases, you would not have known that the vast difference in results would occur without testing first. The results are often quite surprising.

Now let's pause and examine one of the techniques of writing a headline called "Verbalization." It's the *art of increasing the impact of a headline by the way in which it is stated.*

Up to this point, we've been looking at what we want to say in a headline. Now we have to determine how to say it.

The most obvious way, of course, is simply to state the claim in its barest form. "Lose Weight," or "Stop Corns," for example. And if you are the first in your field, there is no better way.

But where you are competitive, or where the thought is too complicated to be stated simply and directly, you must reinforce that claim by binding other images to it with the words in which you express it. This is verbalization. And it can accomplish several different purposes:

- A. It can strengthen the claim** — by enlarging upon it, by measuring it, by making it more vivid.
- B. It can make the claim new and fresh again** — by twisting it, changing it, presenting it from a different angle, turning it into a narration, or challenging the reader with an example.
- C. It can help the claim pull the prospect into the body of the ad** — by promising him information about it, by questioning him, by partially revealing information.

All of these goals are accomplished by adding variations, enlargements or embellishments to the main headline claim of the ad. These additional images are bound into the

main claim by the sentence structure of the headline. They alter the main claim to make it more effective.

There are, of course, an infinite number of these variations. Every good copywriter invents a few himself. But there are general patterns that most copywriters follow.

A Sure-Fire System for Creating the Best Headlines for Your Client's Ads

- Copy any great headlines you find onto 3x5 cards.
- Read through them like flash cards when you are looking for ideas.
- Write down all the headline ideas that come to mind as you are reading through the cards.
- Soon, out of nowhere, a “Central Selling Idea” will pop into your mind. You’ll know it is exactly right for the promotion.
- Write spontaneously, and write like mad. Forget form and grammar. Just write body copy as fast as the ideas come to you. Take time later to go back and edit for form and grammar.

Ways to Strengthen Your Headline Once You Have Your Basic Idea

Up to this point we have been concerned with the strategy of planning copy — of arriving at the content of its headline rather than with the techniques of actually writing this copy. But let’s go further into that area called “Verbalization” — the art of increasing the impact of a headline. We now know what we want to say. And we now have to determine how to say it.

Here are some guideposts, for your own consideration:

Measure the size of the claim:

I am 61 Pounds Lighter by Using XYZ Product

State the difference in the headline:

The Difference in Premium Gasolines is Right In the Additives

Stress the newness of the claim:

Now! Chrome Plate Without Heat, Electricity, Machinery!

State the claim as a question:

Who Else Wants a Whiter Wash With No Hard Work?

Turn the claim into a challenge for the reader:

Which Twin Has the Toni? And Which Has the \$60 Permanent?

Challenge the prospect's present limiting beliefs:

You Are Twice as Smart as You Think

Address your prospect directly:

To the Man Who Will Settle for Nothing Less Than the Presidency of His Firm

Address the people who can't buy your product:

If You've Already Taken Your Vacation, Don't Read This. It'll Break Your Heart.

Accuse the claim of being too good:

Is It Immoral to Make Money This Easily?

Warn the reader about possible pitfalls if he doesn't use the product:

Don't Invest One Cent of Your Hard-Earned Money Until You Read This Guide!

State the claim as a case story quotation:

Would You Believe It — I Have a Cold!

Metaphorize the claim:

Melts Away Ugly Fat!

Measure the speed of the claim:

In Two Seconds, Bayer Aspirin Begins Relieving Pain!

Let me remind you again that in a great number of effective headlines you will find the word “new” — or a connotation of it, such as “new kind of,” “new discovery,” “new way to,” etc. Americans are partial to the new or novel; they do not suffer from neophobia. To the average American, the mere factor of newness seems to be prima facie evidence of “betterness.”

Undeviating affection for the old and tried may be strong in other countries; in ours, the desire to try the new is stronger. The great achievements of our inventors and enterprising manufacturers have trained us to believe that if it's new, it's likely to be better.

However, the word “new” in a headline should be backed up by copy pointing out the merits of something really new and advantageous, not some transparently trivial difference.

Headlines — the Most Important Element

Let's go over some points again. They're worth repeating.

The headline is unquestionably the most important element in most advertising whose purpose is to grab your prospect's attention. Remember that your headline should zero in on precisely whom you want to reach — your target market. For example, if you want to reach homeowners, actually put the word “homeowners” in the headline.

The headline should serve as an ad for your ad. It should tell the reader immediately and clearly the essence of what you're trying to say in the body copy. The headline should give

the reader a Big Benefit or Big Promise — and it should appeal to their self-interest. It should promise the reader a desirable, powerful, and appealing benefit or outcome.

In the end, your goal is to create a headline that tells the right people precisely the benefit you're offering them. That's what the headlines in the list below do, each using a slightly different approach. Read through the list now, keeping in mind your own business and the benefits you provide to your customers, clients, or patients. I'm sure you'll discover that many of these headlines can be adapted and adopted for your own advertising efforts.

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.”

Find The Dominant Benefit — Make That Your Headline

Every product gives you dozens of keys. But only one will fit the lock. Your object 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.

Telegraph Your Advertising Message to Your Primary Prospects

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.

What Advertising Genius David Ogilvy Has to Say about Headlines

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 Ogilvy's books 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:

- 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 that 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.
- 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.”**

- 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.
- 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.”**
- 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.
- 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.”)
- 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.
- Some copywriters write tricky headlines — puns, literary allusions and other obscurities. 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.
- 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."
- Avoid blind headlines — the kind which mean nothing unless you read the body copy underneath them; most people don't.

Claude Hopkins Has This to Say 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 who 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 that will find those people only.

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?"

Effective Copy Made Easy

As I've said numerous times — and no doubt will again — 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.
- Never consider running an ad, sales pitch, or mailing piece without a headline.

A change of headline can make a difference of 10 or 20 times in sales. 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 amuses 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.

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, and/or 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.

Perhaps a blind headline or some clever conceit will attract many readers. 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 to other 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 the 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% 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 harried. 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 own 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 that interest them more than anything else in a magazine. But they will never know it unless the headline or the picture tells them.

I spend far more time on writing headlines than on writing copy. I often spend 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 salesmanship has no chance whatever unless we get a hearing.

The vast difference in headlines is shown by keyed returns. 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 we used.

Thus we learn what type of headline has the most widespread 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 is because circulations overlap and because a considerable percentage of people are attracted by each of several forms of approach. We want to reach them all.

On a soap, for instance, the headline “Keep Clean” might attract a very small percentage. It’s just 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 behind it all lies fixed principles. You are presenting an ad to millions. Among them is a percentage, small or large, who 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. Lawn mowers 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 them. They will decide by a glance — by your headline or your pictures. Address the people you seek and them only.

John Caples Wrote “They Laughed When I Sat Down at the Piano...”

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:

- 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.
- 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.
- 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.
- Avoid, when possible, headlines that paint the gloomy or negative side of the picture. Take the cheerful, positive angle.
- Try to suggest in your headline that here is a quick and easy way for the reader to get something he wants.

In using his 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. Explain the purpose of a headline.

Once again, a headline is an ad for the ad. It's responsible for 80% of the effect of the ad. The headline is the equivalent of the opening paragraph of a sales letter. It can be before or after the salutation. It's the opening statement of a sales presentation, or of a commercial, or the first contact in a store between a clerk and a customer.

Failure to test one headline against another is pure stupidity. Failure to use headlines or their equivalent is even worse.

The purpose of a headline is to attract the attention of your target prospect. Remember, your offer will only interest certain people — hopefully, the ones you want to attract — so you must use the headline that attracts the *most qualified* prospects. Never use blind ads, or clever ads with confusing or amusing headlines.

No one reads the entire newspaper. You pick out the stories that interest you, based on the headline. Advertising works the same way

You must test headlines. Different headlines can have 21 times the differential — and this is 2,100% instant leverage.

Another purpose of the headline is to make a startling, irresistible claim or promise that compels the reader to read your ad or sales letter. Attracting attention is among the primary functions of a headline.

Tell me the most successful headlines you've used, and why they worked.

I would say the most successful headline I've ever written was:

My Boss Would Kill Me If He Knew I Was Doing This

Here are other top headlines:

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

Are Men's Expensive Suits Now Too Expensive?

Take an Extra 5% Off For Putting Cash on the Counter

Can a Golfer Learn to Play By Ear?

Last Two Days 10 a.m. to 6 p.m. today, 12 noon to 5 p.m. Sunday

The Ultimate Tax Shelter

**Free \$39 Stock Market Innovators' Survey Explains 24 Specific Ways
To Boost Your Profits in Common Stock Investing...**

**\$395 Worth of Fresh, Hot, Wealth-Building Information
for Only \$39 During This Unusual Six Month Marketing Experiment**

Read This First! It Explains Everything Else...

Start Here Before Reading Anything Else!

You Can Laugh at Money Worries — If You Follow this Simple Plan

Grow Or Die

How I Made a Fortune with a "Fool Idea"

Today... Add \$10,000 to Your Estate — for the Price of a New Hat

**38 Fun, Easy Ways to Earn \$500 Next Weekend
(The People Who Read This Book Will End Up With Your Money.)**

Own a Business of Your Choice Without Investing One Cent

Make Anyone Do Anything You Mentally Command — With Your Mind Alone

Put the Main Benefit in the Headline — Don't Save It for Last

Most of the letters that we see don't have any headline. The brochures we see don't have headlines that state *benefits*.

Letters and brochures (and even envelopes) should have headlines — and those headlines should articulate the *KEY benefit to your reader*.

- It's the reason for your prospect to open the envelope.
- It's the reason for your prospect to read your letter.
- It's the reason for your prospect to read your brochure.
- It's the reason for your prospect to take the action you request.

Without a reason for THEM to open your envelope, read your letter, read your brochure and take action — why should they?

Think about your headline as the poster outside the movie theater. It's the thing that stops you — and grabs your attention — and makes you “check it out” — and urges you to take the appropriate action — buy a ticket and see the movie.

State your primary benefit immediately by putting the benefit into your headline or the opening line of your presentation. Why wait? Don't save it for last, or your mailing will have been discarded before the reader finds out what is in it for them. Your primary benefit must dominate your ad. It's the attention grabber. If your primary benefit doesn't hook them, forget it.

Don't Put A Question In The Headline

For example, “Are You Tired?” “No, I'm not tired, I'm feeling pretty good right now.” You never get the answer you think you're going to get. “Do you have aching feet?” “No, I have these great new shoes.”

You want to direct the flow of your ad from the headline right down through your copy — when you ask a question, you take the reader's mind off the page. You presume you know the

road the reader is traveling, which, for example, is “you’re damn right I have tired feet!” Wrong! Never ask a question in a headline. Simply state it as a proposition. “Cure For Tired Feet.” Use words like “announcing” or “finally” or “breakthrough.” Never put a question in a headline — it’s ineffective.

Since headlines are so important, you need to hear what many experts say about them and study examples of great headlines.

You can multiply the effectiveness of any ad you run, any letter you send out, any sales call your people make — merely by changing and improving the power and effectiveness of your headline or opening statement. Here’s a list of sample headlines, reflecting the work of some of the greatest copywriters of all time. Notice the highly effective job each of the following great headlines does:

At 60 Miles Per Hour, The Loudest Noise In The Rolls-Royce Is The Electric Clock

Demonstrates the claim, by showing a prime example.

It Took 24 Years and Genetic Engineering To Make This Product Possible

Dramatizes how hard it was to produce the claim.

Don’t Invest One Cent of Your Hard-Earned Money Until You Check This Guide

Warns the reader about possible pitfalls if he or she doesn’t use your product

9 Out of 10 Decorators Use Wundaweave Carpets For Long Life At Low Cost

Associates the claim with values or people with whom the prospect wishes to be identified.

Starting July 5th, The Atlantic Ocean Becomes Only One-Fifth As Wide

Symbolizes the claim — replaces the direct statement or measurement of the claim with a parallel reality.

In 10 Seconds, Wheezo Begins To Unclog Your Nasal Passages

Measures the speed of the claim.

They Laughed When I Sat Down At The Piano — But When I Started To Play...

Dramatizes the claim or its result.

17,000 Blooms From A Single Plant!

Measures the size of the claim.

Six Times Whiter Washes

Compares the claim.

Melts Away Ugly Fat

Uses a metaphor to state the claim.

Tastes Like You Just Picked It

Sensitizes the claim by making the prospect feel, smell, touch, see, or hear it.

How A Bald-Headed Barber Saved My Hair

States the claim as a paradox.

Shrinks Hemorrhoids Without Surgery

Removes limitations from the claim.

Relieves Congestion In All 7 Nasal Passages Instantly

Shows how much work, in detail, the claim does.

Here's What You Do To Get Rid of Pimples Fast

Offers information about how to accomplish the claim.

Here's What Doctors Do When They Feel Rotten

Ties authority to the claim.

Announcing: Guided Missile Spark Plugs

Stresses the newness of the claim.

Ours Alone! Persian Lamb Originals — \$289.75

Stresses the exclusivity of the claim.

Does She or Doesn't She — Only Her Hair Dresser Knows For Sure

Turns the claim into a challenge for the reader.

Would You Believe It? I Have A Cold!

States the claim as a case history question.

Pour Yourself A New Engine

Condenses the claim, interchanging the product and the product it replaces

Floats Fat Right Out of Your Body

Connects the mechanism to the claim in the headline.

What Everybody Ought To Know About The Stock and Bond Business

Offers information in the ad itself.

Aunt Mary, Who Never Married...

Turns the claim or the need into a case history.

When You're Weary With Daytime Fatigue, Drink Zip Cola

Gives name to the problem or need.

**A Man You Can Lean On! That's Abraham -OR-Nobody,
But Nobody, Teaches Like Abraham**

Emphasizes the claim by its phraseology — breaks it down into two sentences or repeats part of it.

If You Can Count To 11, You Can Increase Your Speed and Skill At Numbers

Shows how easy the claim is to accomplish by imposing a universally overcome limitation.

See What Happens When You Crush Our Executive Luggage — Nothing!

Surprises the reader into realizing that former limitations have now been overcome.

**If You've Already Taken Your Vacation,
Don't Read This — It Will Break Your Heart**

Addresses the people who can't buy your product, but by limiting its target, it entices all to learn the secret.

It Should Be Immoral To Make Money This Easily

Accuses the claim of being too good to be true.

You Are Twice As Smart As You Think

Challenges the prospect's present limiting beliefs

**You Don't Know Me, I Realize... But I Want You
To Have This Before It's Too Late**

Stresses the need for quick action.

To The Men and Women Who Want To Quit Work Someday

Selects its readers without wasting a word

How To Develop A Silver Tongue, A Golden Touch and A Mind Like A Steel Trap

Highlights the large audience of those looking for improvement

New Diet Burns Off More Fat Than If You Ran 98 Miles A Week

A headline that anticipates incredulity in order to overcome it

Body Copy

Once you have decided on the media you must provide the message. You've enticed your prospect with the headline or opening statement, and now you need to lead them through the body copy — the “meat” of your ad — as succinctly and effortlessly as possible. Consider the following:

- No one really cares about you.
- No one clearly remembers you or what you said before.
- No one has to listen to you.
- No one has any time for you.

However, on the positive side:

- A thousand words are better than one picture.
- People will do what you tell them to.
- Everybody wants to have fun.
- Flattery will get you everywhere.
- Everybody loves a deal.

The first objective of your piece is to have it wind up in the recipients' "A" pile, as opposed to their circular file. The key to this is simple — Remember to KISS AIDA.

KISS: Keep it Simple, Stupid

AIDA: Attention, Interest, Desire, Action

Your Opener

You've gotten their attention through the envelope and the headline. You now have five seconds to keep it. In those five seconds, try to answer the following questions:

- Why are you bothering me in my home/office/car?
- Who are you?
- What's in it for me? (Use feelings and values that your most likely customer is most apt to hold.)
- What are the benefits of your product/service? (Prove this with features.)

Your Sell

You must develop an interest in your product or service in your sell. How long should it be? As long as you need, but no more. Keep it interesting, but don't be a comedian either. Always remember that you only have a few seconds to get and keep their attention, so don't lose it.

Make sure you state what you're selling by the end of the first page. Make it easy for the reader to get to the point by telling your whole story with headlines and sub-heads. Bullets, underlining, and bold face also make it easier to read.

Never assume that the prospect knows you or your product. Say the obvious. Resist the tendency to let effective points fall by the wayside just because you're tired of making them every time you make a presentation.

Think of Your Customers as Individuals

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.

Lead Your Customers To Buy

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 salesperson does not merely cry a name. He or she doesn't say, "Buy my article." He or she pictures the customer's side of that 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 salespeople 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 house 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 salesperson gets an order.

Another company 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.

Let Your Customer Try Your Product

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 the machine. "Let us help you for a week without cost or obligation," said the ad. Such an offer was irresistible and about nine in ten of the trials led to sales.

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 advertiser must understand psychology. The more he or she knows about it, the better. They 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 eight times normal size.” “Foods shot from guns.”

“Cheap” May Not Be Your Strongest Appeal

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 that 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 returned then and surrounded it.

A department store advertised at 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 faraway 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 ride 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.

Personalizing Can Help You Sell Product

An advertiser offered a set of books to businessmen. 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 book. Through some peculiar kink 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 it — 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, in fact. 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.

When preparing ads, TV and radio commercials, or direct mailings, don’t forget to focus on the intended customer and NO ONE ELSE.

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 for whom the information was intended for?

You know it by now. 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, abstract, or circuitous ads or commercials are a waste. If you run ads in general interest publications, 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 a 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 remarkably 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.

I could go on and on, but remember these points:

- Attract the attention of your target audience in your headline or opening remarks.
- State your proposition or offer.

- Use the rest of the ad to develop, support, and present your offer and your reasons why the prospect should embrace it.
- 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.

Avoid Diminishing the Value of Your Product

Two advertisers offered food products nearly identical. Both offered a full-size package as an introduction. But one gave his package for free. The other sold 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 that 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 it is 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, or else she would not act. And she expects to find the qualities you extolled.

There is a great deal in mental impression. Submit five articles exactly alike and five people may 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 wanted to dress better. One treated them like poor girls and made the bare business offer.

Target Your Prospects Appropriately

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. X and paid as agreed, they wrote to her something like this: "Mrs. X, 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.

Don't Brag — Just The Facts Please

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.

Be Specific

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%" 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%." 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%. 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%." 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.

Draw Your Claims From Your Foundation

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.

Say It First — Preemptive Marketing

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 can be many times as effective. The difference is vast. If a claim is worth making, make it in the most impressive way.

Tell A Story — Stories Appeal To Individuals

Whatever claim you use to get 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 that might convince.

People are not apt to read successive advertisements on any single line. No more than you read a news item or story twice. 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 reads 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.

Creating Great Copy

Tape record all conversations your client has with his prospects and customers. Do this dozens of times so you have a good selection to work with.

Have the recordings transcribed. Then number each selling point heard in the conversations.

Next, designate a priority number (from 1 to 10, 10 being highest) to each idea presented in the original sales discussion.

Cut apart each page of transcribed copy so that individual ideas are on their own slip of paper. Divide them into three piles: Those ideas that describe the benefits of your client's product or service; those ideas that are "interesting facts" about your client's product or service, and those ideas that don't really say anything about the product or service and don't advance the sales presentation.

Throw the third group away and arrange the other two in rank order from 1 to 10. Throw away those points that rated a five or less.

Now, begin writing a long memo to a friend about the product or service at hand using the major points in the first two groups. Don't try to write ad copy or a sales letter. Don't try to be creative. Don't try to be clever. Concentrate on selling the product or service just as the business owner did in his sales presentations or conversations.

A Proven Pattern for a Good Sales Pitch

- Say something that gets your reader's attention.
- Tell him why he should be interested.
- Tell him why he should believe what you are saying is true.
- Prove it's true with specific facts or statistics.
- Itemize and describe all the benefits of your client's product.
- Tell him how to purchase or order your client's product or service.
- Tell him to order immediately, especially if there is a limited offer or short supply.

Remember, your ad or sales letter will be read by one person at a time. Do not write “to the masses”; write as if you are speaking to one person. Read your copy aloud so you can hear where it is rough and needs smoothing out. Edit your copy. Take out unnecessary repetitions. Use short sentences and easy to read short paragraphs. Use a generous amount of sub-headlines to break up the copy and make your letter or ad more appealing to read.

Effective Ads Can Run For Years

Some advertisers go so far as to never change their ads. Single mail order ads often run year after year without diminishing returns. So do 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, or 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. Then they write for a book, perhaps — for added information.

There is no tried and true rule on this subject of brevity. One sentence may tell a complete story on a line of chewing gum. It may 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, or else he felt he would never drive it. But being a good businessman, he wanted value for his money.

His inclination was toward a Rolls-Royce. He also considered a Pierce-Arrow 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 one 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.

It's the same with everything. You may be simply trying to change a woman from one breakfast food to another, or one toothpaste, 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.

Tell the Truth, But Make the Truth Fascinating

"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."

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.

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.

People Will — And Do — Read Long Copy

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

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 — it's 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% of male readers read more than half of them.

Advertisers who put coupons in their advertisements know that short copy doesn't sell. In split-run tests, long copy invariably outsells short copy.

The Powerful Case

A 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; and 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, 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 or service is, indeed, superior on a cost value, construction, or performance basis.

Use Testimonials In Your Copy

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 commercial 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.”

Another profitable gambit is to give the reader helpful advice or service. It hooks about 75% more readers than copy that deals entirely with the product.

I have never admired the Belles Letters 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.”

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.

Unless you have some special reason to be solemn and pretentious, write your copy in the colloquial language your customers use in everyday conversation.

Breakthrough Advertising by Eugene Schwartz had this valuable advice reprinted in “Board Room Reports” and is reprinted here with permission:

Channel and Direct “Desire for the Product” To You

“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 ability 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.

Sell The Benefits — The “Functional Product” — What It Does

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 suit, 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 the 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 prized 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 produce 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.

Satisfy the Market's Desire By Underscoring Benefits

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 pocketbook; 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. These 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.

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 it must have emotion. Aim at your hardest to sell. If you can appeal to them, you've got the rest.

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.

The More You Tell, The More You Sell

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 Raphael 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 stock, what are they? In the ad just three items are listed.

This ad measured 12 cm by 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 Raphael recounts the story of new customers coming

into his store and saying, “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 tip. They compete solely on price.

Promote What the Customer Really Wants

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 complain, “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!” (Preemptive marketing)...

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 (USP).

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! (Preemptive marketing).

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, 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 be where you were.

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 \times 18 \text{ 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 doubt 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.

Follow These Body Copy Tips

Here are a few tips on copywriting and ad appearance I've picked up over the years:

Long copy is better than short copy. Although you've probably read or heard somewhere that you should keep your ads brief, I've had much better experience with long copy. Why? Because you don't leave the reader with questions. You tell them the whole story. Your offer is convincing the first time.

That said, let me caution you against simply rambling. Tell a complete story, but use concise words and short sentences. Use short paragraphs. Break up long, monotonous blocks of text with typographical bullets and subheads. Your ad should be thorough but also appealing to look at — not a turn-off.

Don't use ALL CAPS. Copy that appears in all capital letters is very difficult to read. Even relatively short headlines can be compromised by setting them in all caps. It's best to avoid the practice altogether.

Use serif type for body copy. Serif typefaces are those that have little tails on the tops and bottoms of each letter. (For example, the copy you're reading right now is a serif typeface.) Studies have shown that body copy set in a serif typeface is easier to read — and therefore more effective — than copy set in sans serif typefaces (those without the little tails). Limit your use of sans serif type to headlines, subheads, or other display text.

Emphasize important words. Readers tend to scan ads. Use underscore, bold, or *italics* to highlight the important points or benefits.

Make it clear who and where you are. Make sure your business name, phone number, address, and Web site (if applicable) are clearly visible. Don't make it hard for your prospects to find you!

Tell the truth. In your advertising — and in your business life in general — it's important to be absolutely truthful. Don't try to bend or distort the facts — just make the truth irresistible and fascinating.

Credentialize Yourself

They Want To Know That You're Qualified To Help Them

People 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 symposia, 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.

Your Offer

Summarize your offer again. Remember, after you attract their attention and develop their interest in what you are selling, you must create a desire for your product or service.

P.S. Don't forget the postscript. It is almost as high of a priority as the first paragraph and subheads to your piece. Use it as an opportunity to summarize your offer again.

The offers you make:

- Are you making the most enticing offers you can within the realm of good business?
- Does your offer lend itself to the use of any or all of these incentives for response: free gift, contest, free trial offer, installment terms, price savings, money-back guarantee?
- Does your offer lend itself to the development of an "automatic" repeat business cycle?
- Have you determined the ideal introductory period or quantity for your offer?
- Have you determined the ideal introductory price for your offer?

- Have you determined the possibility of multiple sales for your offer?

Emphasize Risk Reversal

When your customers and prospects look at your ad and consider your product or service, they inevitably think about the potential risks of doing business with you. Your challenge is not only to eliminate the slightest possible perception of risk in the minds of your prospects, but also to take that risk away from your customers and place it squarely on your shoulders. I strongly believe that every ad should provide some sort of risk reversal.

Keep in mind that your risk-reversal offer has to be more than simply slapping the word “Guaranteed” on your ad. It has to be compelling, strong, believable, and, above all, legitimate. Instead of saying “Satisfaction Guaranteed,” you might say what that really means: “No questions asked, 100% money-back, 90-day guarantee.”

If you can honestly say that our product didn’t meet your expectations, we’ll refund your money with no hassles.” The latter statement obviously carries more weight in your prospects’ minds.

Now Close the Sale

You can do everything I recommended — understand your customers, write headlines that pull, provide an appealing offer with benefits and a risk-free guarantee — and it probably won’t matter if you fail to *close the deal*. Just as with a sales presentation, your ad must close the sale! Without a close, there’s no sale.

Your Close

Detail your offer and ask for specific action such as, “It’s easy to order. All you have to do is...” or “Mail in the Acceptance Form today. Or call 1-800-000-0000 for fastest service.” Make sure that your offer and your close relates back to your expected results for the project.

Make it easy to respond. First, allay any fears by using a guarantee. Tell them you’re sure they’ll be satisfied, and make your response device easy to use. Fill it out yourself to be sure.

Your ad should motivate the reader to take action *immediately* — not tomorrow, not next week. Tell him or her exactly what to do: Order today... Pick up the phone and call for a free estimate... Send in this coupon... Come see us today...

The essence of direct response advertising is getting the reader of the ad to respond directly and immediately to your offer. The response you attempt to get may be an immediate direct sale, or it may simply be getting readers to pre-qualify themselves with a response (either in person, by phone, or in written reply) so you can identify them. The latter is often called a “two-step” selling approach, whereby the ad is intended to generate leads you can convert into sales. You can often induce a response by offering a giveaway, a discount, a free estimate, a special report — anything that might entice a reader to take immediate action.

Closing the Sale

After you’ve built your case, tell the reader, viewer or listener precisely what action to take. Tell him how to get to your business, what to look for and who to ask for. Tell him how and who to call. Tell him what to do when the salesman calls on him. Remind him of the risk-free purchasing deal, and most important of all, tell him what results he can expect from owning or using your product or service.

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.

EXERCISE:

In reviewing your current marketing communications, where can you introduce a response device or mechanism (i.e., phone number, address, coupon, etc.)?

List the specific “calls to action” or “reasons to respond” you can add to your letters, advertising, telemarketing scripts or sales presentations.

Testing is the Key to Successful Advertising

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% in units sold — and 5,000% in profit realized!) Track the results each version produces.

Let's review the elements that you will be testing.

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 copy versus short? 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 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% better. Make your ad an interesting story. Avoid superlatives at any price. Use testimonials to enhance credibility.

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!

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?

A Product Can Be Advertised Without Investment

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.

With 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 businessmen realize that this can be done, hundreds of others will do it, because countless fortune-earners are just lying dormant.

The largest advertiser in the world makes a business of starting projects just like this. 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.

Use Advertising To Do Product Acceptance Research

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 worthwhile. But he submitted the

question to a few thousand women in a similar way, and 91% voted for it. Now he has a unique product that 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. We constantly look for better methods without interrupting plans already proved out.

For one food advertiser, we tried out over fifty separate plans in five years. Every once in a 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%. 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 businesslike and careful?

Another service of the test campaign is this:

You Can Prove Advertising's Effectiveness

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 used.

Suppose a chemist would say in an arbitrary way that this compound was best or that better. You wouldn't respect his opinion much, would you? 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?

Test Your Method of Illustration and Layout

A company I greatly respect tested a busy ad layout against a more symmetrical and artistically balanced layout, both with the same copy. The busier layout pulled an astonishing 10% 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 advertiser offered a four-week free trial examination of their product and found that their ads, commercials and sales pitches increased results 98.6% over ads that didn't offer the trial period.

Another advertiser used two approaches. In one, he demonstrated his product in use; the other, the product was stationary. The ad that depicted the product in use more than doubled results.

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 ten different headlines to test.

One of them out-pulled his headline by more than 500%. 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 \$5 million in gross sales — and at the very least, \$2.5 million in additional profits.

Here's How To Set Up Your Tests

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 — one that's coded differently 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 that, for example, he heard it on radio station WWXY in order to qualify for a discount or special offer.
- Include a code on the mailing label 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 where 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 (prospect generation) and actual sales. Prospects are fine, but sales are what you're after.

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” Can Reduce Downside Risks

A/B splits allow you to test two approaches with one newspaper press run. Some 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 advertiser 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.

To determine which headline, body copy, offer, or product/service package outpulls others you and your client may be testing, send Message A to half the mailing list — Message B to the other half. Most list companies (and your client’s own computer database) can produce random “nth selects” for this purpose.

You need not mail Message A to simply the first half of the alphabet or the first half of sorted zip codes. “Nth selects” give you a true response reading because each message is sent all over your client’s geographic mailing zone (either locally, regionally or nationally).

By using an A/B split for test mailing, you can immediately know which message is superior. The key, however, is to change only one variable at a time — test one headline against a different headline but leave the body copy, offer, product package, etc. the same in both messages. Likewise, test one offer against another but leave all other variables the same in both pieces.

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 who 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 out-pulls 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 out closes 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.

Analyze Responses Carefully

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 1920s the most revered and respected man in advertising put his thoughts down 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 Ogilvy 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 the question comes up 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 true. So today there are 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.

The Importance of Your Headline

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 — “Two Thirds 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 that out pulled 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 out pull 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.

Don't Forget to Test!

Direct response advertising will help prevent you from blindly throwing money into the coffers of the radio and TV stations and the newspaper 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 they 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 Your Cost Per Sale

Analyze your ads — what they say, how they say it, in 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.

A Few Steps To Maximizing Your Advertising

Experiment with your basic “control” (your current most winning ad) to improve upon your headline.

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.

Test each component of your marketing, be it ad, letter or sales pitch, on these six distinctive parts:

- A headline or opening thrust
- The basic story or pitch
- The proposition
- The exact offer
- A guarantee
- 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.

As you develop advertisements for your business, you should be coming up with multiple headlines, multiple offers, even multiple calls to action or risk-reversal approaches. How do you know which one to use? You let your customers and prospects make the decision for you. You *test your ad* until you've got the right headline, the right offer, the right price, the right guarantee, the right call to action, and the right medium.

Key-Coding

Key-coding allows for tracking of each response from its source — particularly necessary if you are using two different lists. If you are using an A/B split but your ordering coupon or response device is identical, be sure to include in small type a “source code” or other identifying mark to track the origin of each order received.

If you are utilizing an 800 service for call-in orders, use two different 800 numbers. If customer will be calling in directly to the client's business, provide a “dummy” extension number or instruct customers to ask for a specific employee or a fictitious name.

A Few Words on Predicting Direct Mail Response and Why It's Important to Test

It's nearly impossible to accurately predict direct mail response rates because, most often, there are too many variables particularly when testing a new list, new offer, new product, etc. The only way to judge response for certain is to test. Marketing tests should be large enough to pull at least 30-50 responses per message. Usually 3,000 (not split) is a safe test size for a single message.

The tests you make:

- Do you consistently test the big things: product, media, offers, and formats?
- Have you tested to determine the best timing for your offers, the best frequency?
- Have you determined the most responsive geographical areas?
- Do you consistently test new direct mail packages against control packages, new ads against control ads, new commercials against control commercials?
- Do you use adequate test quantities?
- Do you follow your test figures through to conclusion, using net revenue per thousand as the key criterion?
- Do you interpret your test figures in light of the effect on the image and future profits of your company?

The right analysis:

- Do you track results by source, computing front-end response, returned goods factors, and bad debt factor for each source?
- Do you analyze results by ZIP codes and other demographics?
- Do you compute the level of repeat business by original source?

Some Pointers on...Using Graphics To Sell

If your products or services lend themselves to graphics, here are a half-dozen tips:

- Be sure the subject of your illustration is appropriate for your ad. If you don't have a great concept or premise on which to base your illustration, the ad will probably fail.
- The graphics that attract the best quality and quantity of response tend to be those that arouse curiosity.
- Illustrate the result of using your product or service.
- Photographs out pull artwork.
- The image of a well-known personality can boost overall effect.
- When choosing between an illustration of one person or a group of people, use the single person. In most cases, pictures of crowds don't draw as well as those of one person.

But however you incorporate these suggestions into your plan, remember, test to see which works best for you!

My company has outpaced its competitors by providing information and education constantly in its advertising. We send out premiums, 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.

I've mentioned several books about advertising, written by the masters, throughout these pages to supplement your actual experience. 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

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 for free.

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.

Increase Your Lead And Inquiry Generation Through Advertising

There are a lot of nuances as to what this means.

If you advertise you've got to do direct response. It has to offer something that's going to get a connection between you and your market. It's going to go to the right media, the right medium; it's going to reach the best people.

It may be nontraditional. For example, we take mailing pieces and we go to magazines... There are a number of mailing lists that if we rent them and mail our pieces out it doesn't make money. But if we can go to a magazine and negotiate an incredible deal for 24 pages, all of a sudden the cost comes down two, or three, or four, or five times but we get the same message with conceivably three or four times the aggregate leadership.

Because if it's a well read magazine, everyone will do it. Years ago I made \$3 million and \$7 or \$8 million all told by going to newsletters and realizing that the newsletter industry is very interesting. I would rent the subscribers to ABC newsletter so I could mail to DCE newsletter and they would be similar. It's a very incestuous business. And if I mailed it, normally I'd be lucky if I broke even. I would lose money on fulfillment.

I realized that if you spent a dollar you'd be lucky to get back your dollar and have no money left for fulfillment. But if you took that mailing piece and you reduced it down to eight pages and stuck it inside the magazine or the newsletter itself (this was back years ago when the

cost including it bulk rate or second class or first class was nominal) you got your cost down from 60 or 70 cents a piece to about 7, but your response went up.

So every piece you printed, if it used to break even at 60 cents and you got your cost down to 7, the spread, or the 53-cent difference, was all profit.

So you've got to ask yourself: What neat ways can I advertise? If I don't advertise, are there trade groups, trade publications, are there non-traditional areas I can advertise in, and make my message and take it to places?

By the way, it doesn't have to have advertising. You might go to an association that doesn't have advertising and buy ads. One year I bought ads in five newsletters that never advertise. I bought them exclusively. I tied up the rights. This is all about not living by society's rules, but making your own rules.

The Advantages and Disadvantages of Small Ads

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.”

Here are John Caples 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.
- They tell your story in brief form to glancers.
- 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.
- Style copy consists mainly of unsupported claims, whereas selling copy supports its claims with proof.
- Arouse curiosity.
- All 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%.
- 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.”

Print Advertising

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 mail 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.

Identify the magazines, newspapers or periodicals with whom you could advertise. Zero in on those publications with plenty of direct mail or mail-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. 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 a one-fourth or a 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.

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 inquires 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 ad 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 20-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 an ad slick, 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 pre-qualified 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.

Model On What Others Are Successfully Using

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.

How To Use Illustrations To Help Advertisements Sell

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 that 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 faces; 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% more readers. You might think 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%.
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 crosshead and thereafter pepper crossheads 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 crossheads 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 11 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%.

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 typeface, 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%. 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% 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 underestimating 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 that do not benefit from being given a First-Class ticket through life.

Don't reinvent the wheel. There are lots of examples of successful advertising out there, and much of it can be adapted for your projects. If you are stumped for ideas, copy or layout, here's a checklist of places to look:

- Any ad you've bought from
- Any ad you've seen for years
- Competitors' ads
- Your ads
- Land's End/L.L. Bean
- Boardroom Reports
- DAK Catalog
- American Express offers

Write Ads that Work

Another way to easily and instantly increase your profit, is to change and test different headlines in your ads, sales letters, and sales presentation or start using headlines if you're not already doing so.

Any business that runs advertising probably doesn't realize it, but by changing a headline, you can increase the pulling power of an ad by up to 21 times. That, by the way, is 2,100%, which is an outlandish amount.

And half the people running ads don't even use headlines!

Different headlines produce different results. Different headlines communicate different motivations to prospective customers. Leverage your marketing and start using and testing different headlines.

Here are an additional nine key elements for your ads and sales letters:

1. Identify your Unique Selling Proposition (USP) in your sales letters, the one benefit that sets you apart from your competitors. A USP can be product advantages, price, guarantee, or any other unique benefit your product or service offers.
2. Play up your USP for all it's worth. Use it for the headline on your letter and as teaser copy on your envelope. Expand upon it in the letter. Restate it at the close and again on the response device. The USP is crucial; state it clearly, dramatically, and you'll be well on your way to direct mail copy success.
3. Use short paragraphs, sentences and words. This will increase readership by making your letter easy to read.
4. Don't try to make the copy either long or short. What counts is how interesting it is to the reader. You're after response, not just readership, so don't be afraid to tell your whole story.
5. Cut out unnecessary repetition, tortured grammatical construction, redundancies, passive verbs, nonessential facts, etc.
6. Use testimonials to gain credibility. Use them liberally in the letter and on the response device. The reader will really listen to what other customers have to say. It's been proven that nothing sells as well as testimonials.
7. Use "bullet" (•) statements to draw attention to benefits and features.
8. Start paragraphs with "And," "But," "So you see," "However..."
9. Drop the warm-ups. You'll almost destroy your entire letter by starting off, "As a homeowner, you know how maintenance costs are climbing every day..."
10. **STAND OUT.** Separate yourself from your competitors as early as you can. (Or make your appeal uniquely important and urgent.) Discover, isolate and dramatize all the reasons for doing business with you instead of someone else. Build your entire mail package around these reasons.

Ads: Good advertising has many advantages. Whether it's newspaper, television, or radio advertising is a high-risk/high profit potential activity.

Advertising in whole or in part constitutes one vehicle by which your company is driven (pun intended), and it is fueled by responses and sales to your efforts. For most businesses, advertising represents a necessary cost of doing business.

For successful businesses, advertising represents a golden opportunity to reach your customer base and effect sales from them. The potential of advertising is outrageous, and it does come at a cost of resources, both in people and capital.

Giving Up Too Soon On What Works

I find that business people get tired of their advertising and marketing campaigns long before the marketplace tires of them. If you fell into this business "sin," you might call off an advertising campaign that was working and replace it with something that hadn't proved itself and, in fact, might flop. Test different concepts and approaches, but never abandon your "control" (i.e., best performer) until you find something that pulls better.

Forgetting Who Your Customer Is

Always send your sales messages to the people who are your primary prospects. If you want to reach people over 45, for example, your ad's headline should say, "If you are 45 or over... etc." Scrupulously avoid headlines and ads that are nonspecific or abstract.

Let's summarize 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.

A Grab Bag of Cautions, Encouragements and Details

- Always code your efforts and track your results — in writing.
- Don't be totally original. Steal from the best; create only as a last resort.
- Use a guarantee.
- Don't argue over an ad. Test.
- Don't argue with the market. Test.
- Be honest — it will make your job much easier, more interesting and effective.
- Don't become infatuated with your own work. Seek out criticism and learn to listen to it quickly.
- Don't trust ad agencies.
- Don't do image advertising. Leave the institutional ads up to M&M and Coca Cola.
- Don't count on miracles.
- Always make up a real marketing plan with specific budgets.
- Never roll out without a test unless you can afford to lose it all.
- Don't chase big-time publicity.
- Keep those heads nodding.
- Always sound absolutely, 100% believable.

- Keep your speech natural and appropriate.
- Hit all the hot buttons you can.
- Have the right person sign your offer.
- Make your offer truly personal and exciting.
- Don't confuse clever or crazy with effective.
- Have a Plan B. Nothing succeeds forever.
- Don't confuse slick and expensive with personal, believable and effective.
- Read your ad out loud to a prospect or salesman. Watch to see if they nod their heads.
- Tell your prospect all he needs to know to make a decision.
- Tell your prospect everything you want him to do!
- Make it important for your customer to order today.

I could go on and on, but above all, remember these basic 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.

All-Time Great Gimmicks:

- Sweepstakes
- Free gifts
- New and improved
- 100% Money-Back Guarantee
- Giving away money
- Pictures of pretty girls/puppies/kittens/sports cars
- One to a Customer
- Limited-Time Discount Offer

Stop Spending a Lot of Money on Advertising; Use Cost-Effective Alternatives

What are these alternatives?

- Calling your customers.
- Visiting your customers.
- Writing your customers.
- Contacting all your old customers and getting them to recommend and refer people to you.

Engineering endorse relationships... where other people who have a very strong goodwill factor with their customers introduce you and your products (recommend and endorse you to them).

Going to all kinds of prospects who you've never really concertedly tried to work with and trying to persuade them to renew their interest . . . Making them offers that are irresistible and inducing them to avail themselves of your product or service on a risk-free proposition.

How to Save Advertising Dollars by Negotiating Per-Inquiry Deals with Media

When you and your client are being solicited by somebody to advertise, the easiest way to get PI (per-inquiry) advertising is by turning the tables. Go to the people soliciting you and say the following:

“I know my advertising [or my marketing, or my commercials, or my direct mail] works. I don't know if your media works. I'm normally very generous... I'm one of the few people who understands the worth of a customer and I'll normally spend twice as much on my normal advertising than all my competitors to get a customer, which is why you see me advertising so much.

However, I'm always looking for breakthrough areas that will give me new customers, and if you think yours will really work I'll make you a very sporting proposition.

“I normally spend X per sale when I advertise. I'm willing to spend 150% [or 200% or whatever percentage] of X on a test experimental program with you on the following basis: You take a certain number of ads or you take a certain quantity of commercials on your station [or, you take a certain quantity of inserts in your postcard mailing package].

I will furnish you, at my cost, the commercial produced [or I'll pay to have it produced by you]. I will pay your hard reel cost. (If it's a publication) I won't pay the \$5,000 rate but I'll pay the \$312 it really costs to publish it. I'm willing to spend \$300 [or whatever dollar amount] a sale. More importantly I'm willing to create an offer, or an ad or an approach that is absolutely irresistible based on a offer or product that will only be advertised by you.

“That means that for every one that I sell on this offer, you will get 100% credit. If; on that 200%-of-normal-payment basis, you earn at least 85% of your published rate, I'll buy ad space from you or air time from you the next month at full rate.

If it doesn't quite hit 85% it's up to you. If you want to continue that's great. If you don't, that's great too, but I can guarantee you the following: If 1) your publication or your medium works and pulls well and 2) I give you an offer that's irresistible, that's only being offered by you and give you full credit for every sale that comes through your promotion, I'm willing to pay you \$200 per sale instead of the normal \$100 I allocate. If you can't make a lot of money out of it, it's not my problem."

Per-inquiry advertising will work best on one of two things. It will work on marginal media It will also work if you're inclined to give a larger allowance to the media (which is logical once you understand back-ending). You can work the exact same deal with anybody who solicits you.

"If you're soliciting a media company, your posture is slightly different. You contact somebody, you say look, we've been hearing so much about you guys and we think that maybe your publication your advertising, your station, or your newspaper might work for us.

We have a very interesting campaign in mind, but we don't know about your audience [or your circulation or your readership or your response, etc.] and frankly, we don't mind paying through the nose for sales, but we don't like speculating on unproven advertising. I know you have the opposite approach. But we've got a very interesting idea we think you'll find very appealing.

"We propose an unusually equitable venture wherein we furnish you with a promotional piece; an advertisement, a commercial or a series of commercials built around an offer on one of our products, at a price, or on terms or with a package that is so irresistible that anyone in their right mind interested in that subject would be hard pressed not to respond.

By making that specific offer exclusively through your newspaper your publication, your insert, your TV station, 100% of the people buying will have been generated by you. You get full credit even if people coming in the store who never heard your commercial or read your ad buy it. You would get full credit."

[You could say all orders coming to an 800 number, a box number, or if it's a mail order version they can have all the orders come to them. You can give them a separate telemarketing number; you can assign a separate switchboard answering service.]

The whole essence is you're offering to create an offer which is twice as thrilling as any you've ever run — built around a specific item or service, product or package that is only going to be offered through them so they get credit for 100% of the sales.

Tell them up front you're going to spend over and above what you normally spend per sale so they have even a greater advantage. Tell them you will reconcile and report to them weekly if they like, biweekly if they prefer, monthly if that's more convenient. Your client's books will be open. They can send a salesman every Friday, once a month whenever they like, to get a reconciliation and a check. You'll have it messengered to them, Federal Expressed to them, wire transferred to them, it doesn't matter. They can have it in cash.

Any month they do it that produces 85% or 90% of their regular rate (knowing you're paying twice as much for those sales as you would in any other media) you'll give them a paid schedule for the equivalent. If it doesn't make 85% they have to make a decision.

You have to keep in mind they're dealing directly with the business owner, not some ad agency. There's no commission involved and they're getting paid immediately. There's no cash flow savings and they've got a prestigious ad to run in their publication.

Tell them if it works marginally well you'll be the greatest testimonial they'll ever have for any other advertiser they want to refer. What you should be saying is "We don't want to pay for advertising but we'll pay the big premium for results. If you guys can deliver results, we'll give you an unlimited schedule. If you want a \$100,000, all you have to do is generate it." That's a very powerful approach.

Don't Waste Advertising Dollars

Don't spend any marketing dollars until you know the marginal net worth of your customers. Once you know the marginal net worth of your customers, then convert your advertising strategy to buying customers instead of just writing ads. The more ads you run, the more possibility you have of accruing a bigger customer base.

Redirect all of your energies to promoting and selling the top-producing product lines and forget about your "dogs." You must zero in and take aim in order to survive, and you can't do that if you're promoting 20 different lines.

Decide which products or services you want to sell, taking into consideration the profit margin, and work that product until you can't possibly sell any more. Then, and only then, move onto the next product in your inventory.

One more thing: Never stop running an ad just because you've grown tired of it. Your judgment doesn't count here. The only valid judge is the marketplace. If an ad keeps pulling, keep running it. Some of the most successful mail order ads have been running unchanged for 25 years!

Marginal Net Worth

In measuring the results of your ads, it's not enough to simply count the number of people who respond. The quality of the response is at least as important. In other words, a lot of people may inquire, but how many of them buy?

In fact, it even goes beyond the number of people who buy a particular product. What you really want to know is how much is a customer worth to you — in dollars and cents — over his lifetime?

I call this figure the “marginal net worth” of the customer.

Not one business in a thousand thinks in terms of marginal net worth or knows how to calculate it. Yet the calculation is easy and yields enormous benefits.

For one thing, if you know the marginal net worth of a customer, you can determine in advance how much you can afford to spend to acquire that customer in the first place. Moreover, you can reliably predict your cash flow well into the future.

Here's an example: Let's say you run an ad for \$4000, and 100 people respond... of these, 20 actually buy, spending an average of \$450 each. Let's say that after production and distribution costs are subtracted, \$210 of the \$450 is left as gross profit per sale — or \$4200 total gross profit (20 people times \$210 each). Your net marketing profit is \$4200 minus the \$4000 you paid for the ad, or \$200.

This may not seem like much profit, but you need to look further.

Let's say you know from experience that after making their initial purchase, each new customer will buy from you an average of three times over the next two years, and that the average profit per sale will be \$300 (all of which is reasonable if you are successful in your back-end marketing).

This means that the 20 new customers you acquired from the initial ad wind up bringing you not just \$200 in profit, but \$18,200! (The \$18,000 comes from \$300 per back-end sale times 3 sales times the 20 customers.)

Thus, on a per-customer basis, each customer cost you \$20 to acquire (\$4000 for the ad divided by 20 customers), brings in \$10 profit on the front end, and brings in \$900 profit on the back end.

This kind of information is invaluable. For one thing, if you know that each customer will ultimately bring in more than \$900 in profit, you can justify spending more up front to bring in that customer. Instead of spending \$20 per customer, you could spend, say, \$100 and still retain more than \$800 in profit. This may be well worth doing, since a larger initial expenditure could generate more new customers.

In addition, you now can estimate your future cash flow with some certainty. That's because you now know that whenever you run that same \$4000 ad, you'll probably generate about \$18,000 in profit over the subsequent 2 years.

If you ever want to sell your business, showing a prospective buyer a marginal net worth projection like the above could go a long way towards closing the sale.

Why People Keep Doing What They Do

Why do companies keep repeating the same programming over and over again?

How many times have you asked yourself these questions?

- Why do they keep mailing out the same piece of junk mail over and over again?
- Or, why do package goods people keep putting the same promotional language on their products all the time?

- Or, why do certain advertisers keep running the same ads over and over again?
- Or, why do some people's commercials contain derivatives of the same things over and over again?
- More importantly, what are the implications of all these actions on you and your business profits?

I'll try and explain.

First, let's acknowledge the fact that there are two types of marketers:

1. Capricious or impetuous marketers who arbitrarily do things based on pure conjecture;
2. Logical, objective, and analytically-minded marketers who always test every supposition against one another. Who, to all other concepts they have tested, only roll out with marketing concepts that have proven themselves superior.

With that reminder in mind, when you see a marketing concept or promotion repeated again and again, you must presume one of two things.

Either it has been continually tested and has proved itself to constantly out-produce any alternative marketing or promotional concept available, or the company doing it hasn't ever tested it. For this I wish to deal only with the former category, i.e., the sophisticated and astute marketing companies who test and analytically compare everything they do.

When a company like this keeps mailing the same piece of junk mail out over and over and over again, it's because that letter or mailing package has proven itself in continual comparative test experiments to outpull on either a lead, order, or profit basis.

And just because you happen not to like that mailing piece or have not responded to its offer before, doesn't indicate that a lot of other people haven't. In fact it's almost certain if a mailing keeps coming over and over again that it's a proven "huge" winner.

And you should spend considerable time studying every facet of that mailing package to learn why it works so well and to see if derivatives of its composition could be applied to your marketing for your product or service.

First, study the outside of the envelope. How is it marked? Is it mailed first-class, third-class, or nonprofit? Does it have a live stamp, or does it have an indicia. on it?

Is there a return address on it? If yes, where is it — on the upper-left-hand front, or the back?

Is there teaser copy on the outside of the envelope? If yes, can it be applied conceptually to what you're doing?

Open the envelope. What all is in it?

A letter? A brochure? An order form? A lift note? A return envelope?

Read and study the size, composition, and actual language of each component of the package, clearly denoting style, credibility-building techniques, guarantee approaches, bonuses, testimonials, order language, etc.

Save all the parts of the letter. Analyze over and over again what, in your opinion, makes them work. Then formulate as many adaptive ways to apply the technique and successful concepts of winning mailing pieces to not just mailings you might try out, but to all kinds of other adaptive marketing techniques you may apply, also.

The same philosophy applies to display ads as well as television or radio commercials.

If you see an ad over and over again, it's probably indicative that the ad has been tested against all sorts of different approaches, headlines, and offers, and has proven its ability to out-produce all the other alternative ads available.

Certainly if it's being run by an analytically-minded marketer, you must presume the ad (at the very least) has consistently demonstrated its ability to produce a continuous flow of orders, customers, prospects, or telephone calls at a profit to the company running it.

So study it and all its components.

Study its format, graphics, headline, sub-headlines, copy style, actual wording, proposition, credibility, specific offer, guarantee, inducement to action, etc.

Think about ways you can incorporate all this over to your own ads. But don't think just one dimensionally. Think too about ways you can laterally apply various techniques, styles, approaches, and rough concepts over to all kinds of different marketing applications you currently engage in.

By the way, stay up late some night and watch all the crazy commercials for the seemingly "hokey" car dealers and think about this question: Do you really believe that ruthlessly "bottom-line" oriented business people like auto dealers would spend \$50,000 a month on their commercials if they didn't work — if they didn't pull in people like hotcakes?

Admittedly, their style probably puts you off, but study their composition anyhow because something in their construction — either the concept, a certain phrase, a guarantee, big promise, value proposition or some hidden technique is probably adaptable (in a more upscale or sophisticated application) to your marketing efforts.

Look at other marketing possibilities, too.

The next time you're in the grocery store, study the labeling on packages; see the banner offers running diagonally over the comers of the boxes. It may be a discount offer, or a bonus coupon, or a free gift inside (like in cereal boxes). It may be a word or group of words like "new," "improved," "stronger," "new scent," "no sodium," or "very low sodium."

When a multimillion-dollar packaging company puts something on the box, you can be sure it has been tested and it dramatically outperformed all the other alternative phrases and graphics available.

Study all the boxes and jars and signs and cartons and typefaces and labels.

The same goes for coupon promotions you see in newspapers, magazines, or in stores. Pay attention to the descriptions and preludes, coupled with the exact language of the coupon. All this has probably been critically evolved through enormous and expensive testing by the company offering the coupon.

You can learn all sorts of useful and profitable things by studying the offer's language, approach, physical appearance, type style, etc.

So study everything. Why? Because it's silly, dumb, and wasteful to try and reconstruct the wheel when for a no-cost investment in research time you can harvest the combined results of what hundreds of sophisticated companies probably paid tens of millions of dollars to learn.

Another thing to study crucially is mail-order ads.

These live or die on their effectiveness. So if you see an ad repeated over and over again, it works, and you'd be well advised to study it carefully to see why — plus to determine how you can adapt what worked there over to your marketing.

People are illogical. They say, "I don't want to run my ad where everybody else does," not realizing that the reason people keep reusing a given publication, mailing list, radio or TV time period is because it works.

It makes them money over and over again. Start studying the results of other people's testing and record your observations and analysis in notebooks you can use to redraft an adaptation over to your market.

Creative Emulation

Not, by the way, 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* — something, by the way, that I suggest you all read with regularity — and I saw a hokey ad offering "emeralds" for a mere \$3 a piece as part of a purported test.

At first glance I pooh-poohed 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 sitting at home one evening 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 many fold.

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 National Enquirer*, *Forbes*, *The Wall Street Journal*, *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 20 years or more — to concepts that were successful long ago and that could be revised 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.

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 — DON'T 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 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 why 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 PI Ads 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."

It Helps To Know Someone Who Knows Someone...

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 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

Print Advertising

Run ads in newspapers, magazines, trade periodicals, newsletters and journals to generate either an immediate sale — a walk-in, call-in, or write-in — or to secure a qualified inquiry/prospect

Yellow Page Advertising

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.

Commission Advertising

The sky is the limit when it comes to the kinds of ad deals that can be engineered.

You should already 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 gets the medium to run your ad more often or give you more space or more time slots. Both sides make more money.

There are some twists to the mail-order PI/PO concept that work for companies that do not even get mail or telephone responses, but you have to be able to conceptually sell.

For example, 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 from 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, then set some reasonable minimum performance rates. 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.

Producing Your Ad

The Computer Revolution

Fifteen years ago, you had to send out to have your advertising typeset and designed. Today, just about anyone with a computer and the right software can produce effective advertising.

Word processing programs are now made to do much more than just your correspondence; you can design a whole advertising campaign on any number of them. Plus, there are many desktop publishing and graphics programs that can create special effects and assist with layout for your advertising.

Here are a few word processing, desktop publishing and graphics programs you may find useful: Microsoft Word, PageMaker, Quark, etc.

Other Essentials

Here are a few other items that you should have handy if you plan on producing your own advertising:

- Pocket Pal from International Paper
- Art supplies catalog
- Printers and Mailers
- Instant Printers
- Phone numbers of at least five others
- Layout Table
- Clip Art

Launching a Mail-Order Division: How to Establish a Mail-Order Division

Every business can and should develop a mail order and/or telemarketing profit center.

Simply put, the way to launch a profit center is to research and identify both products or services that can be disseminated, sold, resold, or purveyed via ongoing scheduled mailers, and products or services that need to be sold by a live person.

If they need to be sold by a live person, then a direct mail program with telemarketing follow-up should be developed.

If the products or services can be sold without benefit of a live sales person — that is, the customer can write in, send money, or call in — a business can run ads or do direct mail to sell the products without necessarily launching an entire mail order division.

The advantage of a telemarketing and/or direct mail profit center is that a telemarketing department can operate twelve or eighteen working hours potentially, without ever disrupting the work of the rest of the employees.

In a separate telemarketing department, a business owner can have the most tireless, relentless bastion of salespeople, tirelessly and fearlessly calling and making their best and most powerful cases without ever deviating, without ever getting cold feet, without ever forgetting an important point, without ever flinching when a customer gives them a difficult retort.

And, for as much as it costs a business owner to send out a single salesman, he can afford to support telemarketers making hundreds of calls with clearly thought out and articulated sales presentations.

Or, to send out 20,000 letters, bulk rate, costs only seven thousand dollars.

Any business can add a direct mail or telemarketing operation. In fact, they can use their direct mail operation to get people to commit themselves and call the telemarketers. The product information could be mailed to customers, or distributed in the actual store.

For smaller retailers hesitant to launch a full-scale telemarketing department, their retail clerks could be deployed during slower periods of time making twenty or more calls an hour.

Appropriate Products to Sell Through Mail Order

There is only one category of products or services that should be sold through mail order. Products that require only a “one-step” selling transaction. That means the product or service can be instantly ordered and instantly rendered.

No direct physical contact with the actual business site or salespeople is required. With this kind of criteria, a business could sell nearly anything. It could sell product by mail, sent out via United Postal Service. The business could run ads in the newspaper, instructing customers to call and give their charge card number. It should be shipped the same day or within a few days.

This same strategy could be used to generate leads or prospects who contact the business directly, thus initiating a “two-step” sale — one where additional information is mailed out providing more information and directing the customer to call to place their order. Nearly anything can be sold with this method — exotic clothing, exotic furniture, exotic household furnishings, even construction items.

The business owner could even structure joint ventures with people who manufacture or supply such goods.

The same could be done for any kind of a commercial or industrial product. Either locally or nationally. Or, through regional advertisements. Many national publications offer regional or local versions or “issues” — *Parade Magazine*, *Family Weekly*, *TV Guide*, even major newspapers have a mail order (or regional) rate.

Catalogs, Direct Mail Letters and Other Vehicles

The performance of catalogs wanes as compared to letters as compared to other vehicles. Catalogs have a funny way of producing a lot of badly written letters because they tend to hit more hot buttons for more people. When considering the development of a mail order strategy for a company to initially follow, I recommend they do singular, vertical (people in the same industry or sharing the same interest) one-shot promotions on specific items or services.

The results from catalog promotions are often too diffused. They don't allow the business to correctly gauge the amount of response. Additionally, catalogs are very expensive to produce.

To be successful, the business should plan to mail at least 10,000 names. Additionally, the business must have a proven record and be selling a number of proven items. Most businesses in their first catalog have neither of those things.

Most catalogs in the beginning are enormously risky tests. They run up to six offers on a page and only one may pull substantially. After the first catalog, a process of re-formulation begins to move the best sellers into other areas of the catalog and to replace slow-moving goods.

Cataloguing requires a very long process of experimentation and testing and perfecting. It may take three or four cycles of promotion before a business creates a catalog containing 70% or 80% or 90% winners. Most successful catalogs admit they are nothing more than test houses.

Headline Examples

Here are several more of the most successful headlines I've used over the past 24 years of helping companies improve their marketing leverage:

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**

(The latter headline made a great deal of money and created a media blitz for Robert Allen, a skilled marketer and author who made the term "No Money Down Real Estate" famous.)

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!

**Here's A Way To Become Tight, Lean, Attractive, Radiant
and Remarkably Healthy In Just 45 Minutes, Three Times A Week**

An Important Word About Your Return On Investment...

The Secret of Making People Like You

A Little Mistake That Cost A Farmer \$3,000 A Year

Advice To Wives Whose Husbands Don't Save Money By A Wife

The Child Who Won The Hearts of All

Are You Ever Tongue-Tied At A Party?

How A New Discovery Made A Plain Girl Beautiful

How To Win Friends and Influence People

The Last Two Hours Are The Longest — and Those Are The Two Hours You Save

Who Else Wants A Screen Star Figure?

Do You Make These Mistakes In English?

Why Some Foods "Explode" In Your Stomach

Hands That Look Lovelier In 24 Hours — Or Your Money Back

You Can Laugh At Money Worries — If You Follow This Simple Plan

Why Some People Almost Always Make Money In The Stock Market

When Doctors “Feel Rotten” This Is What They Do

It Seems Incredible That You Can Offer
These Signed Original Etchings — For Only \$5 Each

Five Familiar Skin Troubles — Which Do You Want To Overcome?

Which of These \$2.50 To \$5 Best Sellers Do You Want For Only \$1 Each?

**Who Ever Heard of A Woman Losing Weight
— and Enjoying 3 Delicious Meals At The Same Time?**

How I Improved My Memory In One Evening

Discover The Fortune That Lies Hidden In Your Salary

Doctors Prove Two Out of Three Women Can Have More Beautiful Skin In 14 Days

How I Made A Fortune With A “Fool Idea”

How Often Do You Hear Yourself Saying:
“No, I Haven’t Read It: I’ve Been Meaning To!”

Thousands Have This Priceless Gift — But Never Discover It!

Whose Fault When Children Disobey?

How A “Fool Stunt” Made Me A Star Salesman

Have You These Symptoms Of Nerve Exhaustion?

Guaranteed To Go Through Ice, Mud Or Snow — Or We Pay The Tow!

Have You A “Worry” Stock?

How A New Kind of Clay Improved My Complexion In 30 Minutes

161 New Ways To A Man’s Heart — In This Fascinating Book For Cooks

Profits That Lie Hidden In Your Farm

Is The Life of A Child Worth \$1 To You?

Everywhere Women Are Raving About This Amazing New Shampoo

Did You Do Any of These Ten Embarrassing Things?

Six Types of Investors — Which Group Are You In?

**How To Take Out Stains... Use (Product Name)
and Follow These Easy Instructions**

Today... Add \$10,000 To Your Estate — For The Price of A New Hat

Does Your Child Ever Embarrass You?

Is Your Home Picture-Poor?

How To Give Your Children Extra Iron — These 3 Delicious Ways

To People Who Want To Write — But Can’t Get Started

This Almost-Magical Lamp Lights Highway Turns Before You Make Them

The Crimes We Commit Against Our Stomachs

The Man With The “Grasshopper Mind”

They Laughed When I Sat Down At The Piano — But When I Started To Play!

Throw Away Your Oars!

How To Do Wonders With A Little Land!

Who Else Wants Lighter Cake — In Half The Mixing Time?

Little Leaks That Keep Men Poor

Pierced By 301 Nails... Retains Full Air Pressure

No More Back-Breaking Garden Chores For Me
— Yet Ours Is Now The Showplace of The Neighborhood!

Often A Bridesmaid, Never A Bride

How Much Is “Worker Tension” Costing Your Company?

How To Play Your House To Suit Yourself

Buy No Desk — Until You’ve Seen This Sensation of The Business Show

Call Back These Great Moments of The Opera

“I Lost My Bulges... and Saved Money Too”

Why (Brand Name) Bulbs Give More Light This Year

Right and Wrong Farming Methods — and Little Pointers
That Will Increase Your Profits

New Cake-Improver Gets You Compliments Galore!

Imagine Me... Holding An Audience Spellbound For 30 Minutes

This Is Marie Antoinette — Riding To Her Death

Did You Ever See A Telegram From Your Heart?

Now Any Auto Repair Job Can Be “Duck Soup” For You

New Shampoo Leaves Your Hair Smoother — Easier To Manage

**It’s A Shame For You Not To Make Good Money
— When These Men Do It So Easily**

You Never Saw Such Letters As Harry and I Got About Our Pears

Thousands Now Play Who Never Thought They Could

Great New Discovery Kills Kitchen Odors Quick! Makes Indoor Air “Country-Fresh”

Take This 1-Minute Test — of An Amazing New Kind of Shaving Cream

Announcing... The New Edition of The Encyclopedia
That Makes It Fun To Learn Things

Again She Orders... “A Chicken Salad, Please”

For The Woman Who Is Older Than She Looks

Where You Can Go In A Good Used Car

Check The Kind of Body You Want

“You Kill That Story — Or I’ll Run You Out of The State!”

Here’s A Quick Way To Break Up A Cold

**There’s Another Woman Waiting For Every Man —
and She’s Too Smart To Have “Morning Mouth”**

This Pen “Burps” Before It Drinks But Never Afterwards

**If You Were Given \$200,000 To Spend — Isn't This
The (Type of Product, But Not Brand Name) You Would Build?**

“Last Friday... Was I Scared! — My Boss Almost Fired Me!”

76 Reasons Why It Would Have Paid You To Answer Our Ad A Few Months Ago

Suppose This Happened On Your Wedding Day!

Don't Let Athlete's Foot “Lay You Up”

Are They Being Promoted Right Over Your Head?

Are We A Nation of Low-Brows?

A Wonderful Two Years' Trip At Full Pay — But Only Men
With Imagination Can Take It

What Everybody Ought To Know About This Stock and Bond Business

Money-Saving Bargains From America's Oldest Diamond Discount House

Former Barber Earns \$8,000 In Four Months As A Real Estate Specialist

Free Book — Tells You Twelve Secrets of Better Lawn Care

**Greatest Gold-Mine of Easy “Things-To-Make” Ever...
Crammed Into One Big Book**

\$80,000 In Prizes! Help Us Find The Name For These New Kitchens

Now! Own Florida Land This Easy Way... \$10 Down and \$10 A Month

Take Any Three of These Kitchen Appliances — For Only \$8.95 (Values Up To \$15.45)

Save Twenty Cents On Two Cans of Cranberry Sauce-limited Offer

One Place-Setting Free For Every Three You Buy!”

“I Was An Educated Failure At 40” (But Baby, Look At Me Now!)

To The Traveling Salesman Who’s Smart Enough To Know When To Call It Quits.

How To Value A Business Or Professional Practice

**Why Are Businesses Buying More Piper Cheyennes
In Bad Times Than They Ever Bought In Good Times**

And here’s even more:

Our Sales Approach Helps You Avoid Unpleasant Surprises Down the Road

How To Slash The Cost of Your Mortgage Loan by 57%

How To Raise Capital In Today’s Tight Money Market
Including Funds That Do Not Have To Be Repaid

Are You Looking For Small Companies With Big Futures?

Only 1 Career Woman In 1,000 Finds The Job She Deserves

**How To Recruit Managers Who Treat Problems
As “Opportunities In Work Clothes”**

The Secret of Teaching Yourself Music

How To Form Your Own Corporation Without A Lawyer For Under \$50.00.

What’s A Rich Man Like Me Doing Running An Ad Like This?

Almost Everyone Has A \$10.00 Idea. Here’s How To Make It Pay.

Why S.O.B.'s Succeed and Nice Guys Fail In Small Business

You're Probably Going To Pay Too Much In Personal Income Taxes This Year.

Why Struggle To The Top In Someone Else's Business
When You Can Start At The Top of Your Own?

How To Increase Investment Without Increasing Risk

Does Uncle Sam Owe You Money You Don't Even Know About?

**When I Planned To Retire Before Fifty
— This Is The Business That Made It Possible**

If You're Not Very Proud To Tell New Acquaintances What You Do For A Living, Why
Not Tell Them You're A Writer? That Always Impresses Everybody

**How I Am Now Accomplishing In A One-Hour Meeting,
What Used To Take Two Hours**

What's Your Best Chance To Make Money In Real Estate?
The Answer Below May Surprise You

How To Build Your Own \$100,000 Bank Account

How To Achieve Total Financial Freedom

**Why Most Men Never Realize Their Potential For Success and How Dynamics
Can Put You In A Business of Your Own With Higher Earnings
Than You Ever Thought Possible**

Financial Columnist Makes Unique Discovery

Free Booklet Shows... The Perfect Way To Beat Inflation!

"I Made \$90,000 Last Year — Here's How You Can Too!"

**How You Can Earn More From Your Stocks Than They Earn On Their Own.
Yours Free — A Gift From The Richest Man In The World — The Late J. Paul Getty**

This Man Has Not Paid Any Income Tax Since 1973

Executive Recruiter Reveals How To Land An Outstanding Job!

How To Profitably Buy and Sell Land While Avoiding Potential Risks

**Reduce Office Turnover By 100%
Corporation Uses Magazine Articles As Marketing Key**

How To Beat High Commission Rates Without Resorting To A Bare-Bones Discounter.

10 New Businesses Sweeping The Country

How To Pay For Your Next Plane

Make At Least \$1 Million (But Probably Much More) In The Mail-Order Business

Public Invited — Free Lecture! ****In Person**** Multi-Millionaire Author — Lecturer
Albert J. Lowry Wants To Show You... “How You Can Become Financially Independent”

How My Wife and I Teamed Up To Become Millionaires In Five Years

With An Eighth Grade Education and \$500 Borrowed Money, I Retired In Less Than
Five Years With A Wealth Over A Million Dollars

Would You Like To Take In \$140 After Supper?

Be Your Own Boss and Earn A Full Week’s Salary In One Day!

Who’s Making a Bundle?

“Insider Information” — On Who’s Really Making Money
— Plus Exactly How Those Businesses Operate

How To Wake Up The Financial Genius Within You

I Banked \$120,000 In 10 Months: Part-Time!

A Friend Heard How — and Just Made \$75,000... Part-Time!

Now You Can Use Our Method of Holding Rental Homes
Without Capital, Time or Headache!

Pick The Brains of A Millionaire For \$10

A Fascinating and Peculiar Business

Where Doctors and Lawyers Get Their Best Advice

Sell Your Product On National Television For A Percentage of Profit

There Is A Secret of Financial Independence.

I Would Like To Tell You About It So That You Can Use It As I Have

The Ultimate Business Opportunity — No Investment — No Expense — Build As Large
As You Like and Your Sales Staff Pays For It All

**Let Your Customers Call You Toll Free For Just 60 Days
and See How Business Picks Up**

Now! A Leading Real Estate Expert Shows How You Can
Easily Finance Any Real Estate Deal In Any Market

You Can Laugh At Money Worries If You Follow This Simple Plan

Why Some People Almost Always Make Money In The Stock Market

How I Turned \$10,000 Into Over \$50,000 In Six Months

Make \$7,500 Before You Pay Me A Cent...

The Difference Between Making A Killing and Getting Killed Is Where We Come In

How To Write A Business Letter

How To Get 12 Hours of Work Out of An 8-Hour Day

Some Kids Gave Us A Lesson In Business We Won't Soon Forget.

New! Unlimited Mileage. Thrifty Blows The Whistle On Dubious Rent-A-Car Discounts

**Thousands Across Nation Now Using Ohio Man's
Sure-Fire Way To Get Rich Quick**

California Housewife Discovers Secret For "Weekend Riches"

The Secret of Making People Like You

To Men Who Want To Quit Work Someday

Too Busy Earning A Living To Make Any Money?

Headlines For Selling Financial Products and Services

Financial Columnist Makes Unique Discovery.

With A Little Luck You May Never Have To Work Again

Profit From The Wisdom of Over 50 Investment Experts!

How To Beat High Commission Rates Without Resorting To A Bare-Bones Discounter

**A Two-Carat Diamond That A New York Couple Bought For \$3,000
Fifteen Years Ago Was Recently Sold For \$25,000...**

How To Cut Your Income Tax To Zero In 1980

**Tax Laws Say You Don't Have To Pay Taxes
Even If You Earn Between \$15,000 to \$35,000 Or More!**

Own Property and Want To Learn How To Pyramid Your Assets?

Beware of Tricks and Traps That Lose Your Hard Earned Money

How You Can Become Financially Independent By Investing In Real Estate

**If You're Serious About Accumulating Wealth...
Build Your Fortune... The Safe, Sure Way**

Thirty No-Nonsense, Mostly Elementary, Yet Too-Often-Ignored, Suggestions For Successful Trading. For These Suggestions (and Fifteen More) In Booklet Form, Use The Coupon

**What's Your Best Chance To Make Money In Real Estate Today?
The Answer Below May Surprise You**

Fast Track Method To Millions

How The Little Guy Can Make Big Money Today

How Would You Like To Make Money In \$5,000, \$10,000 and \$25,000 "Chunks" Fast?

Would You Invest \$7 To Be \$1,000 Richer... Without Risking a Cent?

You Can Laugh At Money Worries If You Follow This Simple Plan

How To Get \$373,500 Out of A \$300,000 House

400 Stocks To Avoid Now

What I Can Teach You In Just One Day, Most People Couldn't Learn In A Lifetime

Getting Rich In Commodities, Currencies Or Coins-Before Or During The Next Depression

If Big Money Doesn't Scare You, Look Into This

Discover Your Hidden Assets

Can You Really Achieve Total Financial Freedom In Today's Economy?

It's A Shame For You Not To Make Good Money — When These Men Do It So Easily

What Everybody Ought To Know About This Stock and Bond Business

How To Join Those Who Earn Over \$50,000 A Year With A Business of Your Own

Now! Own Florida Land This Easy Way... \$10 Down and \$10 A Month

Think and Grow Rich

One Basic Change In Your Thinking Can Mean An End To Worry and Fear,
and Control of Your Financial Future

Headlines For Recruiting Purposes

**Is It Possible? An Automatic Income For Life of \$20,000... \$50,000... \$100,000 A Year...
Without Working... From A Business That Runs Itself!**

“Imagine! Just When Most Men Think They're Through,
I Found A Whole New Big Career At 63!”

To The Person Who's Thinking of A Career In Real Estate

A Fascinating and Peculiar Business

Free Advice... To Help You Get Ahead

Looking For A Growing Business With A Great Track Record?

Headlines For Selling Subscriptions

How To Develop A Silver Tongue, A Golden Touch and A Mind Like A Steel Trap

The “Love Letter” An Amazing “Letter of Introduction”
That’s Changing The Mating Habits of Our Club Members All Across America!

**If Well-Meant Advice From Friends Has Your Game Going Nowhere
AND If You’d Really Like To Be An Improved, More Knowledgeable Golfer This Year...
Try GOLF Magazine At HALF The Regular Price!**

The 5 Most Costly Mistakes In Business. How Many Are You Making Right Now?

**Waiting For Your Tax Advisor To Help You Cut Your Taxes?
Here’s Why You May Be Making The Most Expensive Mistake of Your Life**

Confessions of A Disbarred Lawyer

12 Special Tax Strategies That Are Making Doctors Rich

FREE! Magazine Subscription

Raise Venture Capital Without Losing Equity!

Specialty Newsletter Publishing — A Lucrative Sideline For Non-Writers

**At Last. A Fine Food Magazine With Recipes So Reliable
You Can Try Them On Guests Without Fear**

How To Win Friends and Influence People

Now Any Auto Repair Job Can Be “Duck Soup” For You

It’s A Shame For You Not To Make Good Money — When These Men Do It So Easily

**Millions of Dollars Are Paid Annually To People Who Have Thought of New Ideas
or of New Twists To Old Ideas. Is There Any Reason Why You
Shouldn't Be One of Those People?**

Turn Your Ideas Into Money

Special Half Price Get-Acquainted Offer! For A Hard-To-Believe Introductory \$32.34

**In May 1921, William Alien White Wrote This Editorial
About His 16-Year-Old Daughter, It Made Newspaper History**

One Place-Setting Free For Every Three You Buy

You Can Laugh At Money Worries If You Follow This Simple Plan

Headlines For Selling Books

Too Busy Earning A Living To Make Any Money?

How To Develop A Silver Tongue, A Golden Touch and A Mind Like A Steel Trap

Enjoy The Thrill of Seeing A Slimmer You Take Shape In Your Own Mirror
New Diet Burns Off More Fat Than If You Ran 98 Miles A Week!

**Caution: Don't Let This Program Make You Too Thin. Reduce Waist, Hips, Thighs,
While You Sleep Without Diet Pills Or Exercise**

The High Energy Diet That Eliminates The Jitters. It Allows You To Actually Enjoy Eating Less

Men & Women Shed Up To 20 Pounds In A Week — 50 Pounds In A Month!

Why Are You A Slow Reader?

How To Burn Off Body Fat, Hour-by-Hour! The Chinese Secrets of Weight Control

I Help People Strike It Rich!

Ohio Man Discovers The Secret of How To Escape The American Rat Race

The Salesman's 10 Commandments

"...You Have Been Conditioned To Live In A Money World That No Longer Exists..."

How Bad A Beating Is Your Savings Dollar Taking??

Which of These 18 Money-Making Businesses Is Right For You?

Now, for the First Time, You Can Learn The Business Secrets of Maverick Millionaires...

Men Who Started Small and Now Take In Millions!

How You Can Be A Part of The Business Boom of The 1980's

Success Forces — Can You Be Successful Despite Yourself? Here's How I Did It

There Is Still A Way You Can Beat The Double Whammy of Taxes and Inflation

What Have You Got To Show For The Money You're Making?

How To Make \$100,000 A Year — At A Recent Reunion I Told A Friend

I Made \$100,000 A Year, Had No Boss and Did As I Pleased.

He Wouldn't Let Me Alone Until He Had My Secret

How To Quickly Lose 10, 20, 35 lbs or More While Controlling Hunger Sensations

Naturally With The Hunger Brake Bran Tablet

"It Takes Less Gross Income To Lead The Same Lifestyle

If You Are A Business As Opposed To An Individual"

How To Launch Your Own Business For Under \$1,000 and Make \$25,000–\$50,000 A Year!

When The Depression Hits, What Happens To You?

How To Improve Your Memory

**There Are Six Deadly Assumptions That Could Wipe You Out...
and You're Already Making Four of Them!**

You Can Use Inflation and Recession To Accumulate A Fortune
Once You Know How To Stop Fighting and Start Using The System

When Financial Planners Become Venture Capitalists

How Mail Order Millionaires Are Made

The Secret To Being Wealthy

Do You Have The Ingenuity To Make \$50,000 Per Year The Lazy Way? Sell Your Advice —
Stop Giving It Away (Or Keeping It To Yourself)

How To Make Money With A Simple Idea

How I Turned \$10,000 Into Over \$50,000 In Six Months

**The Tough-Minded Business Books You Need In Today's Tough Economic Climate.
How Many Have You Read?**

This Book Could Be One of The Most Important Investments You Will Ever Make!

Complete Job Changing Handbook

Make Money Writing Short Paragraphs

Get Out of Debt In 90 Minutes Without Borrowing!

Because Someone Noticed Something, That Nobody Else Ever Did, The Most Important
Discovery For Success Has Been Made!

Headlines For Selling Personal Products

Any Make-Up Can Hide A Wrinkle. Moisture Whip Can Help Prevent One

“...The Amazing Thing, of Course, Is The Speed At Which This Program Works.
It Is Rather Remarkable To Throw Off As Much As 6 Pounds of Fluid and Fat
In The Very First Weekend...”

You Don't Pay Till The Fat Goes Away

Announcing The First Do-It-Yourself Job Resume Kit To Guarantee
You A Successful Job Change... Or Your Money Back

**Add 24 Years To Your Life. A Beauty Queen's Way To Great Shape. Her Diet and Spot-
Reducing Exercises Will Help You Lose Weight In All The Right Places**

How The Way You Undress Reveals Your Personality.

**If You Listen To Me For Only 12 Minutes A Day...
I'll Give You A Trimmer, Healthier, Better-Looking Body In Just 12 Days...
and Help You Keep It That Way The Rest of Your Life**

8 Steps To A New Life After Divorce

A Significant Breakthrough In The Fight Against The Effects of Aging

What Your Doctor Doesn't Always Tell You! and Why...

My Feet Were Killing Me... Until I Discovered The Miracle In Germany

Winning At The Races May Not Be Your Idea of Fun, But...

**Nathan Pritikin Asks: "Would You Like To Feel Younger, Look Better, and Lose Weight?"
If The Answer Is Yes, Investigate The Pritikin Program For Better Health**

If You Can Lick A Stamp, You Can Lick Your Weight Problem!

Man Who Limped With Foot Pain — Now Runs 2 Miles Every Day!

Have You Ever Taken A Practice Golf Swing At A Dandelion?

The Amazing Diet Secret of A Desperate Housewife

Can Your Child Read These Words?

How Do You Grow \$1,000 Worth of Food In A Garden This Small?

It Gives Even The Best Student What He Needs To Look Better

Here's How ZOGA — a Unique Zen Approach To Yoga That I Stumbled On — Helped Me Reach Levels of Achievement Beyond My Wildest Expectations!

Learn How Relaxation Therapy Can Help Reduce The Risk of Heart Attack, Hypertension & Diabetes — Give You Greater Vitality and Help Prevent Overeating!

How To Find Someone To Love

At Last, Someone Has Unlocked The Secret of Getting People To Fall In Love With You!

How Come People Can Walk Up To A Blackjack Table and Always Walk Away A Winner?

Give Me 5 Days and I'll Give You A Magnetic Personality... Let Me Prove It — FREE

Why These Vitamins Can Make You Feel Peppier

Do You Have These Symptoms of Nervous Exhaustion?

Which of These 5 Skin Troubles Would You Like To End?

Who Else Wants A Kissable Complexion In 30 Days?

Can You Pass This Memory Test?

Why I Offer You This New Type of Pipe For \$50

Read These Astonishing Results of Clinical Tests Conducted By Doctors!

Now, Protect Your Family With A Low-Cost Home Burglar Alarm You Can Install Yourself

Doctor Discovers Method of Regaining Hair Loss

Ladies! Get Into Fitness In 5 Easy Minutes A Day

How Long Will You Live?? Ignorance About How To Take Care of Yourself Can Be The Mistake That Kills You In Your 50's Or 60's... "The Dangerous Years!"

Why Would We Send It To You Absolutely Free? (Sub Head) I'd Like To Give This To My Fellow Men... While I Am Still Able To Help!

A Message For People Who Crave Independence, and Don't Know How To Get Started

One Basic Change In Your Thinking Can Mean An End To Worry and Fear,
and Control of Your Financial Future

To The Men & Women Who Want To Quit Work, Someday

Up To 60% Off.

Headlines For Selling Home Study Courses

Why Some People Almost Always Make Money In The Stock Market

Free Booklet Shows. . .The Perfect Way To Beat Inflation!

"I Made \$90,000 Last Year — Here's How You Can Too!"

How To Start A Creative New "Money Hobby" That Might Double Your Present Income.

14 Ways To Help You Earn Money

An Easy Way To Make More Money!

**“My System Is Simple, Straightforward and Quick — But It Works.
Do It Right and I Guarantee The Highest Earnings of Your Career!”**

Be Your Own Boss and Earn A Full Week’s Salary In One Day!

How Ted Vernon Averages \$20,000 Working 6 Months A Year

We’re Looking For People To Write Children’s Books

Don’t Envy The Plumber — Be One

What’s Your Best Chance of Earning \$50,000 A Year By the Time You Are 30? It’s Crazy That
A High School Dropout Would Make This Much Money

**Here’s How One Man, His Wife and Six Children Left A Paycheck Existence
To Enjoy Security and Independence**

Tom McCahill Says: “The Appliance Repair Field Is So Uncrowded It’s Almost Lonely”

Be A Legal Investigator

Why Struggle To The Top In Someone Else’s Business When
You Can Start At The Top In Your Own?

This Is Absolutely The Easiest Way For You To Have A Future Free of All Money Worries

Learn From A Team of America’s Top Money Experts

Shouldn’t You Start Your Own Business Now... While Still Employed?

Speak Spanish Like A Diplomat!

\$100,000 Opportunity Selling Information Thru The Mail

Free Kit Tells How To Take Better Photographs

A Surprisingly Simple Way To Get “Out of The Rat Race (and Into The Chips!)”

Turn Your Writing Hobby Into Cash

Yours Free — My Gift To You!

Do You Make These 10 Common Mistakes In _____?

How To Create and Develop Saleable Ideas

Turn Your Ideas Into Money

I’d Like To Give This To My Fellow Man... While I Am Still Able To Help!

The Most Expensive Mistake of Your Life Too Busy Earning A Living To Make Any Money?

Headlines for Selling Business Services

**Don’t Worry... We Won’t Ask You To Buy Anything. In Fact
We Probably Won’t Even Let You, Until We Get To Know You Better. (Sub Head)**

Where Doctors and Lawyers Get Their Best Advice

How To Pay Less For Advertising While You Get More Orders!

Successful Investing & Money Management —
If You’re Doing Well, You’ll Do Better. Much Better.

Publishing Your Book Can Give You A Career In 30 To 90 Days

Why Should You Have To Go To A Lawyer Every Time You Make A Legal Agreement?

Raise Venture Capital Without Losing Equity!

How The Young Millionaires Trade Commodity Futures

Announcing The First In-Depth Look At Conversions and Renewals — An Area of Circulation That Too Often Receives Less Attention, Time, and Effort Than Those Programs Aimed At Signing Up New Subscribers.

Cut Your Mailing Costs By 10% ... 20%... As Much As 30%

Why The Price You Paid For Stock Is Absolutely Irrelevant
To Where and When It Should Be Sold

I Will Show You How To Buy Gold As Professionals Do

**You're Probably Going To Pay Too Much In Personal Income Taxes This Year.
Beware of Tricks and Traps That Lose Your Hard Earned Money**

How To Push Your Resume To The Top of The Stack... and Land The Job. 100% Guaranteed!

**Once The Telephone's Bite Into Sales By 30% Or More
Do You Still Think You Can Afford To Be Without This Man's Advice?**

If You Were Considering A Public Offering But Are Now Seeking A Private Placement...

**Even In Today's Depressed Market...
Someone Is Making Money In Real Estate. Here's How ...**

6 Ways Long Distance Can Keep Profits Up In A Tight Economy.

Try 1 For 60 Days and See

An Open Letter To Readers of The New York Times

Letter Templates

Carpet Store

Here's how a letter from a carpet storeowner might read:

Dear 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 DuPont, Monsanto and many other fine carpeting 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,

Jay Abraham

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).

Investments

Advertising for Passive Investors

If you're putting together a joint venture or similar deal and you need outside investors to finance programming, testing, etc., the following ad is a good one to run in the Sunday Business section of your local newspaper. The headline should read:

Investor Wanted.
10,000% to 15,000% Annualized Return Seriously Possible.
Probable Downside a Few Hundred Dollars at Most.

With body copy that reads:

I specialize in helping businesses turn their hidden assets into windfall profits, then turn those profits into ongoing streams of income. I do it with the simplest techniques. These techniques are so obvious and overlooked, business owners kick themselves when they see how I do it.

I only take clients who have a 90% probability of working. There is only a 10% downside. When I perform my profit-boosting methods, I pre-validate and pre-verify the viability and profitability of each strategy with small "tests" before I spend a lot of money on big programs.

I need an investor or a group of investors to finance a handful of new client situations I am taking on. The typical client cost requirement is \$1,000 to \$5,000. It's fully secured by the first monies back. A typical return of a good promotion is in the staggering range of 10,000% to 15,000% per annum. Better than that, the returns are normally in and fully banked within four to six weeks or less.

What's more, we will know in advance if the investment is a winner by pretesting a small, conservative microcosm. I can explain everything over the phone in a matter of five minutes or less.

If you are interested, I would like you to finance one or two — no more than a handful of client situations for a maximum investment of \$5,000 each. I need not ever see the money — you can always write the check directly to vendors. The money will only pay for marketing,

advertising lists, etc. The revenue coming in will be segregated and you will get first monies back. After you have recouped your investment, profits are split 50-50. If you are interested, call me at (000) 000-0000.

Direct Response Success Stories

Relocation Company

One of the things I did was check into our trade publications and I found there is one larger one and two smaller ones. I decided to write articles for the larger one and then advertise in the two smaller ones because they were free and my research showed that people read the 6-page ones.

So what I did was develop a half-page-ad, which they gave me a wonderful price on, and it runs monthly. What's interesting is I kept my ad for a full year and 4 of these other big firms changed theirs all the time. I would walk into any room of professionals and they would know who I was.

The most important selling point of the advertising was name recognition. It made us the number one company because no one else was advertising that much. [Did you get a lot of calls and responses?] Here's what I got — I got clients.

People would not call me directly, they would call other relocation companies and asked them who they would use for spouse assistance if they had a choice and they would always say "The Impact Group." It's because we were the most visible and I always put my face with it and that way it became a marketing piece

We've started with our seminar business running (has anyone seen the ads we run in *Success* and *Entrepreneur*, they're 24 pages and they're very prominent) and they're not as cost effective as other alternatives like endorsement but to grow your business and go outside we have to do it. What we've found is the posture is profound.

There are seven different best-selling line authors who have called me within the last 6 weeks who wouldn't have returned my calls six months ago because we were doing direct mail. The posture is all different. The biggest infomercial company in the nation was here checking me out... the two partners called me and they flew in.

I could have called them 6 months ago and they wouldn't have returned my call. There's a lot of other items, but you can't just look for that; you've got to justify the existence along the way but that's a bonus that is very powerful — it is a very interesting positioning and posturing if you do it right.

Make yourself, by the way, when you do that, make yourself a star. Don't do it with grandstanding but do it with humility. The more you give a personality and a persona to your product, the more unique and the more dimensional you will be. Look at everybody who is associated with a company — Lee Iacocca, Bill Gates...

One of my other competitors, no one knows who owns them and no one knows what they do or how they do it. (That's a mistake.) One other thing I'd suggest... I called the St. Louis business journal and I had nominated her to get on a board and she did get on the board because I think she needed to be there as a press person. I began to share with her what I would do for her in the community and then she said, "What can I do for you?" I said I'd really like to have a column in the paper...

Weight Loss Program

Previously we had run what you call tombstone ads; we spent a lot of money and our business was okay. After reading your materials we did a full page advertorial; it's a full page and it looks like an editorial but it's advertising. [What's it cost for an ad?] About \$7,500 an ad. We run it either in weekly newspapers or daily newspapers and it's very effective. [When you spend \$7,500, what do you get back?] We get 5 to 10 times as much in one week.

[I think advertising for most people is the least prioritized consideration but if you develop your awareness of it and your ability to understand that, you can make it very, very powerful. This gentleman's got the greatest benefit because he is probably reaching a general market, most of you aren't and you've got to target it. It's got to be very segmented and vertical, but there are places where it is very, very powerful.]

Medical products

I had a full color ad that was running and then I ran a little black and white ad that, by using your principles, gave me a 30% better response. [Was it a profitable enough response that it made money?] I changed something and I said, "Free Samples." On my other ad I put, "For Ordering Information..." I've already got 7 or 8 orders off of the one black and white ad and only one order off the full color ad.

Legal Services

We spend somewhat less than \$150,000 in two markets on television. [What's your message basically?] The message is... we give an example of what we do. [A lot of people are in trouble for reasons that aren't their own doing but they're distressed financially... or some catastrophe happened and they have a really serious financial problem.]

If we say, "We're a lawyer. Come see us..." they think they're losing everything when, in fact, just the opposite can be true. [What do you say? Do you do 13's? That's nice, because it gives them a chance to reorganize.] We do a high, high volume for just that reason. They call our line and hear a message, which does qualify some people who aren't really candidates. Mostly it informs and educates.

Roofing Contractor and consultants

We have published our own magazine. It's a twenty-eight-page, full color magazine, for the last ten years. We do it nine times a year; it actually has three different quarterly content changes. We have cooperative advertising from our suppliers.

It probably runs us \$4-5,000 a year to do it. We print approximately 4,500 and mail it out to our select list. We mail out to the professionals in our area, realtors, maintenance people... [It probably positions you really well, doesn't it...] We've taken a survey and people we mail it to tell us we would be crazy not to do it.

Satellite TV installer

Yellow Pages are very expensive, especially when you find you haven't solicited business. So I've just developed a relationship with "talking yellow pages." It allows me to change my messages often, through voice. They have ongoing ads they generate for you through radio and television. And they have a sponsorship program; I am going to sponsor movie theaters where I tell people that I provide satellite that can bring you 250 channels and all kinds of movies.

Real estate broker

Your local press has a scale of advertising and typically you have to get to 15,000 lines to get a break. In my area, I went to my competitors and formed an association of independent brokers where we all committed to a certain amount of lineage and then we went to the press and forced them to lower our rates. That saves me about \$3,000 a month.

And here's a way to do risk-free yellow page advertising... I probably have seven or eight 1-800 numbers "on ice" and I'll put one on a yellow page ad to see what kind of reach I can get. If you get a Yellow Page ad and you put a 1-800 number in and the ad doesn't work, if you cancel the number they won't charge you for the ad anymore.

Realtor

Our job was to get home sellers to raise their hand. We had been doing institutional ads and we found that everyone knew us (we're the #1 realtor in our area). But not everybody was calling us. Why wasn't everyone calling us?

We tried risk-free offers; if somebody moves up and buys through us we guarantee the sale of their home. When people are moving up and they buy their next house first, they're afraid they'll get stuck with two.

Every week we advertise a video library with three videos, how to prepare your house for sale, how to buy a new home, and how to prepare your kids for a move. I ran a \$60 ad and made about \$36,000 in commissions off that one ad.

We do a lot of telemarketing as well. It's sort of like a shoe store where when the salesperson walks up to you and you say, "I'm just looking..." but you wouldn't be in the shoe store if you weren't interested in shoes.

When my telemarketers were calling, people would deny they were making a move but in three or four months their house was for sale and they didn't call us. We changed to a community survey asking them about local hospitals, schools, where they did their shopping... and we'd also slip in asking them if they were happy with the community services and if they were thinking about making a move and where would they move to. O

ur leads increased about 30%. Then we threw in a couple more questions and started selling the leads to auto dealers, etc., so now it's a profit center and we make money.

Mac Ross' Ad Template

Remember... KISS AIDA

© MacRae Ross v 4.0

703-883-0777 mac.ross@rossandco.com

Phase 1: Preparation

Project:

Date:

Date Due:

Product or Service:

Basic Description:

Version Number:

Contacts:

Results Sought/Expected:

Budget:

Envelope Forecast:

Gross:

Units Projected:

Profit Forecast:

Risk Assessment –

Best Case:

Worst Case:

Most Likely Case:

Product Features/ TechSpecs:

1)

2)

3)

4)

5)

6)

7)

Translate into Benefits:

(Your lawnseed, my grass)

Appeal to Greed, Fear, Dreams, Nightmares

What do your customers say?

What's your best salesman's best pitch?

- 1)
- 2)
- 3)
- 4)
- 5)
- 6)
- 7)

Unique Selling Proposition

Your competitive advantage in the target market, in terms valued by your customers.

- 1)
- 2)
- 3)
- 4)
- 5)
- 6)

Potential Product Positionings

- 1)
- 2)
- 3)
- 4)
- 5)
- 6)

Ad Format

1. Direct Mail Letter
2. Card Pack
3. Newspaper Ad
4. Magazine Ad
5. Directory/Yellow Pages Ad
6. Newsletters/Information Report
7. Sales Letter
8. Insert Piggyback
9. Ad Specialty
10. Telemarketing Script
11. Brochure
12. Radio Ad
13. TV Ad

14. Web Site
15. Banner Ad
16. Email Ad
17. Affinity Ad
18. E-newsletter
19. Other_____

Format Specifications & Restraints:

Copy Development

Reminder:

Priority of Copy Elements:

- Headlines: 50% Incl. Including Teasers, Envelopes,
- First Paragraph and Subheads Etc.:
- Offer: 25%
- Postscript 20%
- Order Device 25%

Notes:

Phase 2: Drafting the Ad

I. ATTENTION

(REMEMBER AIDA)

- YOUR HEADLINE or
- GRABBER/STOPPER or
- UNIQUE SELLING PROPOSITION or
- AN AD FOR THE AD or
- **YOUR MOST POWERFUL BENEFIT/GRAPHIC STOPPER —
PRE-EMPTIVE POSITIONING**

with a YOU orientation

Have at least 2 to test (See 100 Best Headlines for Examples):

Examples:

- Secret of Eternal Youth Discovered by MIT Nobel Prize Winner
- Now You Can Win the War Against Aging
- Amaze and Bewilder Your Friends with Newfound Eternal Youth
- Amazing Longevity Secrets Brought Back By Cocoon Voyagers — Can Be Shared with Only 65 Select People...Will You Qualify?
- Before/After Photo of Elizabeth Taylor
- Computer Projection — Dick Clark at Age 90

- Free Sample of Miracle Anti-Aging Formula

Draft Headline 1:

Draft Headline 2:

Draft Headline 3:

Draft Headline 4:

Draft Headline 5:

II. Interest

(REMEMBER AIDA)

- FULL STATEMENT OF MOST POWERFUL CLAIM/ BENEFIT
- STAGE SETTER
- **Plus BONDING-QUALIFYING STATEMENT — CLEARLY, EXCITINGLY AND ENTHUSIASTICALLY STATED**

Challenge, Describe and Involve:

Hear, See, Touch, Feel, Smell...

Example:

“Yes, it’s really true... We’ve finally found it... the secret of eternal youth. And it can be yours. Whether you’re 60, 70, or 80 ... this elusive secret formula sought by men and women down through the ages... from Cleopatra to Dick Clark has now been discovered and verified.

“In a quiet back room at MIT, in the sanctum sanctorum of American science and technology, one of the world’s great scientists has found the answer.

“And through a special offer to a select group of people, this formula can be in your hands ready to work in just 48 hours guaranteed.”

Example Subhead 1: Problem/Promise:

Is your body aging too fast?

Subhead 1:

III. Desire

(REMEMBER AIDA)

- ESTABLISHING CREDENTIALS
- TESTIMONIALS/ENDORSEMENTS
- FULL DEVELOPMENT OF BENEFITS
- BUILDING/PROVING THE CASE
- INDEPENDENT ANALYSIS & RECOMMENDATIONS

Example of Subhead 2: Problem/Promise:

Have you tried a dozen formulas that just don’t work?

Subhead 2:

Bulleted List of Benefits...

- Value/Price/Cost-Effectiveness

Example:

For half the price of a day at the exclusive LaCosta Health Spa

- Performance/Leadership/Guidance

Example:

Turns back the clock 30 years in 6 weeks

- Selection/Choice

Example:

- Convenience/Simplicity/Ease of Use

Example:

- Attractiveness/Trendiness/Recognition Factor/Status

Example:

- Location/Experience

Example:

- Revolutionary or Proven System/Breakthrough Technology

Example:

Testimonial/Endorsement (example):

“Dick Clark declares ‘It works for me!’”

“AGE-NO-MORE is not one of the tens of dozens of ineffective and deceptive aging creams, hormone lotions, and worthless pills you may have tried before.”

“Because of the extremely limited quantities possible to manufacture with present technology, the special AGE-NO-MORE formulation is only available direct from the developer/chemist.”

IV. Action

(REMEMBER AIDA)

- YOUR CALL TO ACTION
- MAKING YOUR OFFER
- WHAT YOU WANT THE PROSPECT TO DO TO COMPLETE THE TRANSACTION
- DECISION POINT: IS THIS A ONE-STEP, A TWO-STEP, A LEAD GENERATION, OR SOMETHING ELSE?
- Order today
- Respond by
- Send for your free...
- Call immediately
- **Check the items below and fill in your name, address and credit card number, put it in the post-paid envelope enclosed and send it off today!**

- ASK FOR THE ORDER AND
- **REPEAT FULL BENEFIT-ORIENTED DESCRIPTION OF WHAT YOU GET with MAJOR BENEFITS, CLAIMS RESULT**

Example Subhead 3. Solution/Fulfillment

“AGE-NO-MORE can be yours for only \$99.95 if you act within the next 24 hours”

Draft Subhead 3.:

Example Body Copy:

“It’s easy to order. All you have to do is call 1-800-555-1212 with your credit card handy and your order for AGE-NO-MORE will be processed instantly. Your first shipment will be sent on to you UPS Cosmic Service within 24 hours and you’ll start to feel the difference within two weeks. Or you can get 100% of your money back, no questions asked.

“Plus if you order two or more, you’ll receive our unique free special report worth \$49.95 — *Sex Over 90 in the Next Dimension.*”

**For Immediate Service,
Call 1-800-555-1212**

Response Builders

1. Give Easy Choice,
2. Check off or Offer #
3. Bonus
4. Hotline
5. Two for One

6. Marginal hand notes, cross outs, comments

**Give Price, Terms, Guarantee
Elements of Urgency, Importance**

1. Rush!
2. Priority
3. Confidential
4. Last chance
5. Fire Sale
6. Time limit
7. Limited quantity
8. To those who qualify
9. External deadline or fear
10. First come first served
11. First 50 to order receive free bonus
12. Exploding offer
- 13.

Guarantee (USP Performance-based or Feeling of Satisfaction-based)

1. Lifetime
2. Life of Product
3. Specific Time

4. 100% Money back
5. Replacement
6. Specific performance
7. Repair
8. 100% value on Trade-in
9. 100% satisfaction

Post Script (for letter format)

(This is your second front page, read first or second by many people)

Restate offer, terms, bonus, guarantee, restate primary benefit, urgency and how to order

Example:

P.S. Remember, only 65 fortunate people will be able to take advantage of the incredible powers of AGE-NO-MORE for only \$1,995 and watch those signs of aging actually reverse before your eyes — and the eyes of your friends and loved ones. Be sure to order before December 23 to be sure of delivery in time for Christmas and before the aliens are scheduled to take their secret back to space with them.

Your satisfaction is 100% guaranteed, no questions asked. Don't hesitate, order today by calling 1-800-555-1212 or send in the easy sign up Enrollment Request below with your check or money order, or credit card. Master Card, Visa, American Express and Diner's Club accepted. Order Today!

Use These Response Devices to Stimulate and Boost Response

1. Name, address and phone number
2. Phone Numbers, 800#, 900#s
3. Coupons
4. Order Card
5. Rolodex Card/Business Card

Advertising Specialty — Calendar, Ruler, Blotter, Newsletter

1. Information Request Form
2. Special Report Request
3. Pre-Application Form
4. Sign up a Friend or Associate
- 5.
- 6.

Phase 3: Review

Have draft read by at least three readers:

- One knowledgeable
- One clueless
- One prospect

Set Your Own Standard

I hope the advertising ideas I've just shared with you have been helpful and inspiring. Your exciting opportunity is to apply these ideas to your own ads, refining them and making them so successful that they replace all others as the best. It's up to you to set the advertising standard by which everyone else is measured.

Open your mind to new possibilities for your advertisements — even if they differ dramatically from the approach your competitors and others in your business use. In the end, you'll enjoy breakthrough success — and watch your business grow in ways you never imagined!

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.

Seven Keys to a Winning Sales Pitch

In my report on effective sales writing (*Sales Letters That Sell*), I explain how to put a compelling sales message into writing. But, whether you are writing or speaking to a prospect in person or through your telemarketers, the symmetry of a winning sales pitch is always the same.

For the message to produce a sale, you have to do each of these seven things:

1. Say something that gets the prospect's attention.
2. Tell the reader/listener/viewer why he or she should be interested in what you have to say.
3. Tell them why they should believe that what you say is true.
4. Prove that it's true.
5. List all the benefits of your product or service.

6. Tell the reader/listener/viewer how to order.
7. Ask them to order right away.

I find that messaging your current customers is generally the easiest, and the more successful approach. You're serving their needs, showing an interest, and showing that you really, honestly do care about your customers or clients:

“Miss Whitman, the boss asked me to call because you haven't bought from us for a long time and he doesn't know if you're unhappy with us, if you've found a source you like better, or if your needs have simply changed.

“In any event, you are one of our 25 most valued customers, and we have been wondering if you would like to take advantage of our preferred-customer discount on a great new product we're introducing...”

This kind of telemarketing — the “sensitive sell” — has tremendous business-building potential. Yet, most companies that use telemarketing don't know how to put the medium on target.

More often than not, their telemarketing sales messages go right past the customer.

Let me share with you some success stories from a few of my clients. See if you can find a way to adapt, adopt, and translate their methods over to your business:

Consulting

Bill Hinckley has generated bottom-line sales results for March, April and May of \$47,000-\$55,000 for his fundraising company. This doesn't even include back-end sales! He did this by constructing an ad using the “persuasion-equation formula” and placing it in *Parents Magazine*.

A quarter page ad cost him \$500 per month. Owing to a 95% repeatability factor in his business, the net gain will be over \$1,000,000 over the next 5 years. Update: Bill will reach this goal early; this is July and he is presently at \$978,000 in sales!

Retail

Gil Schauer has increased his business by 101% over the first 14 days of July by simply running ads in the *L.A. Times* and *Orange County Register*.

Landscaping

Tony Bass uses cargo type vans to transport his machinery from job to job. Not only do the trucks provide billboard advertising year round, he changes the message to promote seasonal specials such as his Christmas Decor Holiday Decorating Service. Three out of five leads are generated from people seeing the trucks.

Motorcycle and ATV Sales and Service

Michael Gill ran an ad (in a Penny Saver type publication) featuring a special on Arctic CAT ATV's. Through a special "salvage buy" from the factory, he purchased a total of sixteen units. The first six units sold in only four days, and the second group of ten units sold out in ten days. These units were a huge value and savings for the customer, but were also very profitable for Michael (at \$1,087 profit a piece for a total of \$17,392 total).

Dental Practice

Dr. Tim Dotson doubled his closing ratio on inquiries from his old yellow pages ad simply by adding risk reversal to the new ad.