

How To Grow Your Business Geometrically...

18 Immediately Actionable Ways To Windfall After Windfall...

Volume III

By Jay Abraham

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Chapter One:

Internet Marketing

Internet Marketing and E-Commerce have captivated our minds, motivations, and money making obsessions. For the last two years, publicly traded E-Commerce companies, “dot com’s”, have stolen the limelight with their meteoric rises in value beyond all comparison with their revenues or profits. (Valuations have adjusted down, but they’re still well in excess of traditional model.)

The “*brick-and-mortar*” based product and service companies are told the Internet will be their absolute undoing. Mad, frenetic rushes to stake clear claim to Internet users and “killer applications” is the driving concern of businessmen and women in every industry.

It’s intimidating, inhibiting, frustrating, and perplexing to most. Exhilarating, stimulating and enriching to a few.

One thing is certain.

The advent of the Internet has forever changed the way business is conducted in every industry in every free marketing economy in the world. The “*grand slam*” winner, hands down, is certainly the consumer. ***But how can you and your business or practice win big, too... now and ongoing with the Internet and E-Commerce?***

Well, I’ve got a few good ideas and strategic suggestions to offer here: Understand what I’m about to share are my best-reasoned, current perspectives; drawn from practical, day-to-day observations, research, interviews, and analysis, my staff and I have made — reduced down to its core basic essence. So there’s absolutely no confusion or tentativeness on your part about what I am recommending, why I’m

recommending it — and what specific actions or implications my various recommendations call for you to take. Consider this document my executive action briefing.

Your time is precious. And we are moving in “Internet Time”, where 3 months is the equivalent of a year. So let’s get on with it, now.

Let me start with some universal principles that I believe you must master in order to have the absolute, most powerful impact possible from whatever Internet presence your business establishes on the “net.”

Always ask yourself this question: **Why is somebody going to want to come to my company’s web site?**

You must clearly, immediately, and effectively telegraph right up front, on the home page at the top — that your web site offers that visitor the only viable solution or strategy to effectively solve the problem or opportunity they’re after. If you don’t have a great value proposition to pose, there are numerous other sites, that are just as well suited to resolve the problem being presented and you only have between 1 to 2 minutes to convey this message before the consumer moves on to the next option.

This *is* obvious, and if your goal for having a web site is anything beyond merely providing a continuous connection between your “*brick-and-mortar*” business and your existing clientele — you need to strategically focus on search engines, affiliate programs, and strategies to generate maximum upside marketing leverage. We’ll deal with affiliate programs later, because let’s face it, most people use search engines, directories, and portals to find what they are looking for on the Web. So, let’s first focus your attention on the ways of getting your web site to come up in search sites, legitimately, and as high as possible.

Indexing the Web is a difficult and non-ending task. It takes thousands of electronic scouts (called bots or spiders) visiting as many web sites as they can every week analyzing the text for keywords and

following hypertext links trying to gather information. The information that is collected will be indexed and used to rank the web sites for potential consumer searches.

Your goal is to not only show up in these searches but to be placed as high as possible in these rankings.

It is crucially important that search sites know that you are out there and want to be part of their index. Almost all **Web Search Sites** and **Directories** send out some sort of electronic scout that will go out and find your site, but they also have a button that allows you a chance to register your site or pages with them. Some sites simply require your URL to be added to the route of their electronic scouts, while other Search Engines will allow you to fill out a form with site location, keywords and a short description.

Of course, finding, going to, and registering on each individual Search Site can waste quite a lot of time and energy, and isn't entirely necessary. But, if you want your site indexed at as many appropriate sites as possible, you could use a Web site Submittal Service such as [SubmitIt.com](#), [GoNetWide.com/gopublic.html](#) or [usaworld.com/WebPromote.html](#). (These sites used to be free, but now they usually charge a fee for their services.)

Just getting a consumer to your site is not enough. You want to be able to communicate and stay in touch with them, as well as keep them coming back over and over to see what's new on your site. And the best way of keeping the communication lines open is to build a list of e-mail addresses you can dialogue with.

How do you go about building this list?

You must systematically cultivate willingness on the part of your clients and prospects to give you their e-mail addresses and, most importantly, permission to communicate with them periodically. You can use this communication to inform, instruct, educate, comment, or alert them to development opportunities or exciting information that will bring them greater benefit, advantage, or outright payoff value to their lives or business.

You need to cultivate this e-mail list for two strategically critical reasons. First, to gain highest impact and access to them on a direct and continual basis. Second, besides the direct access that permission-based e-mail communication affords, the cost is almost zero, vs. every other expensive communication alternative you could choose. You also have 24-hour, 7-day a week direct access. And, if you always assure that your e-mails contain superb intrinsic value — your recipients will eagerly await, embrace, and best of all, respond to your e-mail dispatches.

E-mails must not be the only way you deliver value. Your site must also find an effective and powerful way to give something of value — be it information, ideas, content, education, entertainment, advance intelligence, etc. — **free** — before trying to sell or ask for any commitment.

You should do regular user studies of how user friendly, easily usable, fluid, and eminently clear your web site is to people other than you and your team. Frequently, you get deluded to thinking your web site is a lot more appealing, user friendly, clear, valuable, and appealing to the marketplace than it really is. Only by performing a series of cold, objective web usability studies, can you discover the truth.

Depending upon the results of your user studies, and how your web site is designed to be used — consider using your site in multiple ways. Expand your applications, and gain the benefits of multi-purposing.

Focus your attention on serving your primary client or extolling all the benefits, advantages, applications or implications of your main product or service in action.

If it has occurred to you that your primary clients are not the only ones that would benefit from your site — you are right!

Finding effective ways to put your web site into other people's web site

Your web site must be known...a billboard in the basement is not an effective form of advertisement. Showing up on the first page of a search engine's results isn't the only way to get visitors to show up on your site. They also follow links from other related sites.

Figuring out the best ways to ethically tap into other web sites' existing traffic:

- Figure out what your customers are interested in
- Understand the customer's online behavior and existing traffic patterns
- Let the customers drive you to where they go
- Then, find a generous, exciting way to reward these other web sites for sending qualified visitors and prospects over to your site.

How can you stimulate an effective, ethical affiliate program?

Prepare a full "turnkey" package that is easily and instantly applicable as well as financially and transactionally appealing. Where appropriate, offer compensations such as: reciprocity, return links, compensated links, or pay-per-performance link. (For some additional ideas on setting up affiliate relationships, you may want to revisit some of my earlier work on host-beneficiary/strategic alliance/endorsements.)

The key factors most critical to developing a powerful and effective web site business strategy

First, focus on marketing—your web site must be known to all your existing clients, to all your primary prospects within your industry, and on as many search engines and affiliate-based web site referral programs as possible. Always focus on getting the highest and best results yield and impact from whatever it is you do.

It's critically important.

It's honesty and innovation, today on the Internet, that is even more important than the quality of the product or service you're offering. Please don't compromise quality and performance characteristics in whatever product or service you offer — but, first and foremost, put attention on the effectiveness of the web site marketing approach you put behind your Internet or E-Commerce business efforts.

- Clearly understand your target client's needs, wants and objectives.
- Always remember you are giving people the opportunity to effectively solve their needs — not promoting an economic solution to your needs.
- Always do what your clients need done.
- Don't try and force them to accept your definition of value and usefulness in the message. Content and payoff value is what you provide them on your web site.
- Make it easy to do what the person visiting your site came there to do — and make it faster and more effective for them to do it at your site than anywhere else.

Just like when you are trying to set up affiliate relations, you must take the time and interest to carefully and clearly understand your visitor's or client's online behavior. It is easier to figure out what the clients like and dislike if you find out their existing traffic patterns and participate in discussion or chat groups that relate to your market and ask questions about product or service traits people are looking for or are staying away from.

Create an e-zine (electronic magazine) or electronic newsletter. This is an inexpensive way to build and bond the development process to, and with, new prospects, as well as advance and enhance the bond you have with current or inactive clients. Or, offer some promotional software or games, some sort of low cost item that is specific to the market you are looking for, that you can encourage visitors to pass along to others who may share the same interest or needs.

Narrowing Your Focus

If you are struggling with what positioning to take for your web site presence, consider taking a niche focus, or at very least, devoting segments of your web site to a highly niche-focused subject matter. The narrower your focus, the more directly you can talk to your market.

Whether you are using your site for free content or as a revenue generator, remember: The more niche-focused your web site is, the more appealing it becomes to visitors. It's also easier for the market you're trying to reach to locate your site--and the more acceptable it is to charge for products or services you sell on the site.

What's working in your area of promotion?

Remember on the Internet, “now” is a moving target. So, because of such rapid, constant change, innovative, and acute competition at every level — you must continually test and retest every marketing or selling approach or assumption you apply. That duly stated, here are some excellent concepts to think about trying:

First, you must recognize that having loads of traffic is often a deceptive illusion and has absolutely no correlation to actual commerce and revenue being generated, particularly for non-advertising driven web sites. A lot of traffic usually means you're spending a ton of money, buying visitors and low margin clients.

On the Internet, especially, concentrate your efforts, wherever possible and practical, on finding and establishing frequent visitors. Then build a strong trusted relationship you can turn into meaningful future profit or strategic ethical advantage for your business.

Try and get other businesses, organizations, or individuals that have a good quality e-mail list to recommend your company, products, or services to their e-mail list. (It is just like doing an endorsed mailing.)

Work on what is called tangibilizing, or building a credibility of your product, company and web site presence. The Internet and most web sites are very intangible things. If the user doesn't trust your site, there are hundreds of other sites out there that can offer the same products or services. Remember that the user is in charge on the Internet—so tangibilize your web site as much as possible and wherever possible.

- Put your firm's physical address on all your web pages.
- Put your signature on your welcoming letter on your web site home page.
- If appropriate, put a recording of yourself on your web site.

Work carefully and continuously to build as many levels and layers of credibility in your web site presentation and content. Remember, on the Internet, more importantly than anything else, you must build your credibility. Because, in the end, it all comes down to which site the users trust!

Don't recreate the wheel —

Study what other industries (and your competitors) are doing on the web

Learn from competitors' web sites. Study related sites of companies outside your direct competitive field, but in similar types of endeavors. Continuously refresh your knowledge base by re-visiting these other sites. Find out who's out there, who's better, more sensitive, innovative, responsive, and let them help educate, improve, and inspire you to make your web site better.

Do you even know your own local, regional, national, and international competition? Do you try and see, not only who and what's out there, but what they are doing and how many different ways they're doing it, too? You must start doing that, immediately, if you want your web site to really succeed and prosper.

Most people don't bother to let their competition educate them. Believe me, you really need to see what's out there, who's pointing at you and why they're doing it. You need to look at the competition.

Here are some web sites you should visit, study, monitor, and some of the key observations you should really identify and understand when you're there visiting each site:

Amazon.com —

- The way they make everything "do-able" in 3 clicks or less.
- Their ability to tell you what other people, buying your chosen book, are also buying.
- Their ability to tell you how popular a given book is as well as posting actual reviews — good, bad or indifferent—to help you make a balanced decision.

CD Now —

- Lets you listen to tracks online before you purchase.

Net Mechanic —

- Because it's simple.

Web Position —

- Offers good tools to use, lots of freebies.

Alert Box —

- Uses “Reverse Pyramid” concept. They give the best...first!

Excite, Amazon, ESPN.com —

- All three give users customization ability.

Goto.com —

- They solved the problem of how to get on top of the search engines.

Zoom.com —

- A fascinating chat community.

Biztravel.com —

- Personalize and customize travel plans according to your needs.

Dell Computer —

- They anticipate your every question and credibly assist you in making a decision.

Val.com —

- They will sell you a ticket for a competitor airline, if you wish.

What are some business models that are working?

- A.) Selling content — Downloadable or proprietary services no one else can offer, match or deliver at the price or in the manner you can, selling information you can move over the wires — intellectual property is an excellent business model to consider.
- B.) Integrate “*brick-and-mortar*” world with the Internet. Reel.com videos are delivered through “*brick-and-mortar*” facility.
- C.) Use the Internet to access and penetrate markets, people and niches not cost effectively accessible in the terrestrial world.

Nobody really knows just how big a factor the Internet will ultimately become, but it's essential your business make a concerted commitment to having a meaningful and ethical presence on the Internet. Don't wait to get started. As soon as you are up and going, don't spend too much focus and time trying to generate a single, one-time sale. You no longer can afford to do that. You must focus on building a repeat purchasing process called “stickiness.” People must come back. You must realize full residual value and maximize payoff for your Internet web site efforts.

Don't be intimidated by the “big boys”

What do you do if you're a business competing against a far larger, far better capitalized and staffed company? Don't retreat. You've got a lot more going for you than you even imagined. Smaller businesses have agility, responsiveness, empathy, and sensitivity to their markets' true needs and wants. You can move faster and go left when the behemoth goes right. You can add the human touch to counter the automated world big business dispenses. You need to humanize focus on de-mechanizing.

Don't be intimidated by the “big boys.” Typically, they don't understand a new medium like the Internet. The bigger the competition, the better. The bigger the Internet gets, the less they respond to the customers, and the less they focus on the people. Your client — fall in love with that visitor/client!

Personalize and customize your visitor's experience when possible. Also, use the phone. Most of the big Internet companies don't do it!

Remember — the Internet is profoundly market driven. The client/visitor "rules." So be totally and absolutely responsive, absolutely courteous, respectful, enthusiastic and sensitive.

It all comes down, surprisingly, not to technology, but to people. Technology is not the problem confusing people. Everything successful is geared around the client. It's all about knowing the client, knowing their interests, and being able to do that so effectively that no one else can come close to you.

Remember this —the Internet is all about communication. Establish an effective way you can communicate with your clients and prospects through your web site and e-mail presence — and your business will grow.

Ask yourself these reflective questions:

- 1.) ***What are the three most important reasons people are coming to your web site?*** Why to you — what's the payoff? Is it well enough explained, defined, known?
- 2.) ***Are you afraid of making mistakes?*** Don't be! An unsuccessful test is not failure. It's only part of the accelerated learning curve.
- 3.) ***Are you honestly prepared to put your clients first?*** If you want to successfully do business on the Internet, you need to be prepared, as seriously as possible, to meet your clients' needs head-on.
- 4.) ***Is your communication style clear and concise?*** Your communication style must be short sentences. Big payoff paragraphs. Subject lines (*when using e-mail*) and headlines should send a clear powerful, appealing payoff message about who, what, and why you care about the client.
- 5.) ***Is your site user friendly?*** Use plain English. Write at an 8th grade level. Don't exaggerate. Be real, be yourself and make your site as tangible as possible. Take all the puff and hype out of your communications, graphics and writings. Talk face-to-face. First person. One-to-one. You-to-me. Me-to-you.

Your web site must bring people benefits, advantages, information, education, entertainment, time or money savings, expertise, perspective, access, insight or some other truly competitive-edge advantage you can define, explain, and most essentially maintain for your web site to become truly successful.

More Important Realizations You Have to Acknowledge

Read Seth Godin's wonderful book, *Permission Marketing*, at least twice. It will set the criteria for your e-mail strategy to all your current and future web site visitors and clients.

Find innovative, appealing ways to put people together in a sense of community. In other words, where people with similar needs, desires and goals, problems, requests or profiles can turn for clear, effective, meaningful answers and information.

Recognize, too, that every good web site is also a great database you can segment, target, and niche-market to and through. Don't minimize the importance and opportunity this powerful, yet frequently overlooked, distinction affords.

If your web site is a selling site — and your products or services are delivered offsite, meaning not downloadable online — you must win the ground war of delivery, fulfillment and performance aspects of the product. In other words, you must get the product quickly delivered, installed and implemented.

Remember, too, that whatever it is you sell or do on the Internet — ultimately, it's not about getting the sale — it's about winning clients and loyalty for life. Big distinction, here.

When securing your client or web site visitor's permission to continuously communicate with them, please remember — permission is always in the eyes of the beholder. If you breach the client's sense of what they've given you permission to do — you've broken the relationship, forever.

Know that your Internet marketing efforts, your web site structure, and content is a process not a static destination. You'll probably never have everything exactly the way you want it, because by then, the market, competition, and state of technology will all have changed and you'll need to rework your entire thinking all over again. So, see the Internet and your web site as a perpetual *work-in-progress*. You'll enjoy the journey and all the attendant experiences and discovery adventures that go along with it, that much more.

After you've read *Permission Marketing*, move on to *Digital Darwinism* by Evan I. Schwartz. It teaches you to try and create an Internet site that business people see as solving a major problem for them.

If you don't know what you're doing on the Internet — find someone who does — but who shares your values and goals — and who can capably translate "Techese" over to "Humanese" — then engage them and pay them what they are worth to help you, making certain to put a portion of their compensation in the form of performance benchmark progress or success payments, when critically agreed-upon objectives and/or timetables they're responsible for helping you achieve are satisfactorily met.

If your Internet web site is business-to-business, make certain your buying and transaction process is easy, fast, clear, appealing and effective — for the buyer or visitor's use — not for you. Focus on building a better business-to-business process than whatever current choices are out there.

When developing an Internet web site — always think about the brand you're creating. Today, a brand should, more than anything, stand for the value, information and assistance being offered to the client.

When creating your web site and creating your brand, try and do something no one else can do. Ask yourself, how can you do something creative with your web site?

Visitors will tolerate 8 seconds for a page to come up and 30 seconds for navigation. Make yours more difficult and they won't stay or pay — period!

Always remember that you build your web site for your clients, not for you. It's for them.

In summary:

- 1.) Recognize that the world has changed. The Internet is a different means of communication than you and your clients have used before.

- 2.) It's really taking over a good part of attention and influence in every industry so don't minimize its relevance to you.
- 3.) The more I talk to big businesses, the more excited I get for small-to-medium businesses, like yours, on the Internet.
- 4.) It's a pre-emptive means by which your company can, in fact, more swiftly take over or dominate your industry — if done right.
- 5.) On a big scale, being able to do business online is a huge customer service saver and advantage to both sides.
- 6.) When people want to ask a question, give them a way to filter and receive quality answers. Include Frequently Asked Questions page. Include e-mail and phone number to contact.

Personalize the entire experience. The Internet allows your company to treat people like individuals. Because of all the high possibilities, the marketplace also has high expectations, performance-wise from you. Do not fail them.

This executive action briefing is my first written communication on mastering the opportunities on the Internet. Hopefully, it will serve as a good grounding primer for you to build meaningful success and prosperity.

Chapter Two: Direct Mail

I'm always amazed to see how many business owners and professionals shy away from direct mail marketing. Some believe direct mail is too expensive; that only the big players like *Time* magazine, Publishers Clearing House, Omaha Steaks, or The Franklin Mint can afford to use it.

Others think direct mail is "junk mail" — it always ends up in the trash. Still others have tried direct mail marketing and have been disappointed with the results. And lastly, many business owners simply dismiss direct mail because "no one else in my industry uses it."

Is one of these misconceptions keeping you from reaping the benefits of direct mail? I hope not. After all, direct mail *isn't* expensive — in fact it's one of the most cost-effective ways to acquire new customers and prospects for your business. It also isn't "junk mail," provided you target an audience that has a need for your product or service.

Going to the right audience with the right offer is the key to successful direct mail marketing, so don't let past disappointments keep you from trying again. And if no one else in your industry or profession uses direct mail — all the better! You'll be miles ahead of your competitors the first time you mail.

Believe me, I wouldn't be touting direct mail if I hadn't seen it bring in millions and millions of dollars for my clients over the years — clients from almost every conceivable type of business or professional practice. What's more, I personally do about 75% of my own selling through direct mail. And what's worked for me will work for you. Here's why...

Your Tireless Sales Force

Imagine if you could afford to hire a huge sales force that could instantly double, triple, or quintuple your business growth and profitability. Suppose you could employ 1,000 or 5,000 or

10,000 or 100,000 of the most capable, skilled, top-notch sales men and women who could tirelessly and continuously penetrate every prospective market you wanted to go after.

Suppose they would work 24 hours a day, seven days a week for you for the rest of their lives without pay or commission. They would never call in sick, never lose their enthusiasm, never quit, never go to work for the competition, never start a business of their own...

And suppose these “super sellers” were capable of making a more powerful presentation, a more powerful sales case than anybody else you could possibly retain. Suppose they could get into the offices and homes of people you are trying to reach and get 20-30 minutes of uninterrupted attention, during which time they would make the most irresistible argument for your product or service.

They would address every issue, answer every question, overcome every obstacle and impediment to people saying yes, and bring home so many sales or ultra-ripe prospects that you almost couldn’t handle it.

Now suppose I told you that you could have all this for approximately 40 or 50 cents per sales call. Would you be interested? That’s direct mail! That’s the unbelievable power you’ve got available to you — the power of direct mail.

Like a sales force, direct mail allows you to target your customers more personally and with much more precision than if you were placing a display ad in a local newspaper or buying a 30-second radio spot.

But direct mail has even greater advantages. Most sales reps rarely get an audience with a qualified prospect the first time they try. They certainly aren’t likely to get 20 minutes of the prospect’s undivided attention in the privacy of their homes in the evening or on a weekend

What’s more, when salespeople make cold calls or visits, they’re introducing an idea for the first time. It has to settle in and be embraced. A lot of negative issues have to be overcome.

But when you send a sales letter, it does the dirty work for you. You’ve got the opportunity to present your entire case, stress all the benefits, and address any potential questions or objections.

Often that alone is enough to garner a sale. But even if it merely sets the stage, predisposes the reader, or breaks the ice, you're that much more ahead of the game when you follow up.

The Reasons You Should Use Direct Mail

There are so many benefits of direct mail. It allows you to enter the home of your potential customer, "sit down" with that person, and tell him/her a story about your product or service. A good piece of wisely distributed direct mail can do more for you than a \$20,000 ad in a large newspaper so take advantage of it.

Heed the advice that I'll detail here about direct mail and watch the orders (and profits) literally roll in! However, remember that in direct mail your piece has to get read! I cannot stress how important it is for you to get your marketing piece into the hands, not the trash can, of the consumer.

With conventional advertising (like TV or display ads) it's hard to identify and correlate results. But direct mail provides the tools to measure your results to the penny. You can test and compare all sorts of marketing possibilities.

Direct mail is the least expensive and most effective way for you to tell your full sales story to your customers and prospects. I know you have thrown away a lot of direct mail literature and wondered just how such advertising could possibly pay off. The successful direct mail advertiser knows that a huge percentage of the people who receive a letter from them will probably do just as you have done: Throw it out.

But if the letter is properly crafted and intelligently tested to a small segment of the list before being aggressively rolled out, it will indeed get sales from an impressive number of people.

In my own mailing experiences, we are perfectly satisfied if 95 out of 100 people receiving our cold prospect mailings don't open it, so long as half of the remaining five reply. Let's look at the math. (It's really simple.)

1. At a price of approximately 35 cents a letter, it costs about \$350 to mail out 1,000 letters.

2. If only 2% (20 people) respond with an average sale of \$100, the gross is \$2,000 for the \$350 spent.
3. Deduct 50% of gross for selling expenses and the \$350 for mailing and advertising, then subtract \$50 of the remaining for G&A (general and administrative) expenses.
4. A mere 2% response can still net almost \$600 sheer profit for every 1,000 letters mailed out.

Obviously, if mailing a million letters gives the same percentage response (and it will), you can make a killing. Even half of that yield would still be pretty impressive. These returns are possible with the right lists and the right offer.

The Giant Companies Use Direct Mail

Bell and 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.

Put A Salesperson At Your Customer's Convenience

Let's assume you are in the manufacturing business. You make and sell products directly or through salespeople. You are succeeding modestly, but you crave higher profits.

Your sales staff calls on each account once every two or three months. Using properly crafted direct mail, you can call on many more prospects every month. And each "sales call" will cost you \$1 or less, instead of \$125 or more.

An intelligently crafted direct mail offer can present your prospect with all your products or services, or you can focus special attention on a single product. At their convenience your prospects can review and reflect on your selling proposition.

Time can work to your advantage. When you send the prospect a compelling direct mail letter, your customer isn't time-pressured to say "yes" or "no" within the 15 minutes your salesperson would get. Your prospect has plenty of time to evaluate and reflect on your proposition.

Generate New Business

You obviously don't have all the business or customers you would like to have or you wouldn't be reading this. And you haven't acquired all the clients you want for a number of reasons:

- It isn't profitable or economical to solicit them through salespeople or via ads in magazines, newspapers, radio, or TV.
- It costs too much time and sales power to convert prospects to customers.
- You don't have a cost-effective way to identify the best prospects or to get the prospects to identify themselves.

Direct mail overcomes these and more obstacles, and is a dynamic adjunct to your sales staff. For just pennies per piece, you can unleash an army of paper salespeople all over the city, marketing area, or industry you want to penetrate. And, in a surprisingly large number of cases, direct mail does better dollar-for-dollar than salespeople.

Direct Mail's Many Uses

You can use direct mail to accomplish many different and essential and powerful and preemptive things for your business or professional practice. Direct mail gives you the ultimate power and leverage.

You probably have 30 separate, unduplicated ways you could put it to work to explosively grow your business, your profits, your customers, and your revenue streams. For example, you can use direct mail to:

- Generate new customers, capturing sales directly through mail order.

- Isolate and identify the most qualified prospects for your salespeople or your telephone reps to call on.
- Set up interviews or appointments.
- Complement or supplement your marketing blitz or intensify the effect of display advertising, electronic advertising, radio, or television.
- Isolate and pursue markets and niches that you couldn't normally cost-justify sending a sales person out to.
- Go after smaller customers or more distant markets that aren't reached by your other marketing approaches.
- Take a local business and make it regional, national, or international.
- Continuously communicate and advance the buying relationship with your existing customers and prospects.
- Eliminate post-purchase dissonance, also known as "buyer's remorse."
- Generate leads.
- Use as a modest entry point to get started in your system.
- Bring people to a seminar or to visit your facility.
- Ask people to call in for more information or to set up an appointment and solicit you.
- Pre-orient or "preheat" a market to an ensuing live visit or call.
- Follow up and advance the call.
- Communicate monthly with target prospects with insights, case studies, and ideas.

- Announce special events; make specific preferred offers that segment your buyers (e.g., sales, an open house, a special speaker or Marshall Fields Reward card and private shopping nights).

And there are even more uses:

You can use direct mail to prospect nationally or locally to target narrow audiences like doctors, lawyers, plumbers, new mothers, right or left-wing political donors, people who own BMWs or airplanes, pilots, accountants, school teachers, maintenance engineers, or... you name it!

You can use direct mail immediately after a sales or service call to reduce or eliminate refunds or complaints.

You can use direct mail to solicit or work special segments of your customer base where it would not be practical to mass-solicit. For example, you may have 10,000 customers, but only 500 are high-ticket buyers interested in high-end products like expensive shoes or sweaters.

It's not feasible to mail a letter to all 10,000 clients about your new stock of expensive sweaters when you want the message to go to only 500 primary prospects. Segmenting mailing lists allows you to focus your offer on the right prospects.

You can use direct mail to promote store traffic by letting potential customers know who, what, and where you are.

You can use direct mail to introduce your product, service, or business to specific new areas of your marketing community when your business expands.

You can use direct mail (instead of display advertising) to generate a list of favorably disposed prospects. Then you can have salespeople solicit them, cutting your sales expense by half

You can use direct mail to identify and attract any customer, prospect, or industry market. You can use direct mail to revitalize former customers or prospects.

You can use direct mail to immediately multiply your sales force 5,000, 10,000, or 100,000 times, all for a mere 35 cents or so per salesperson. You can use direct mail to generate leads when it's too expensive to send salespeople out cold calling.

You can use direct mail to recruit salespeople, executives, and specialized personnel anywhere in the country by zeroing in on targeted lists of specialized professions.

You can use direct mail whenever your company is stuck with overstocked, slow-moving, imperfect, or undesirable inventory or with excess labor capacity you need to put to use. You can use direct mail to add a mail or telephone order division to your store operations.

You can use direct mail to quickly and accurately test all sorts of sales, pricing, conceptual, and packaging propositions. Test results will tell you how to expand the application of the tested concept on TV, radio, print, outside sales calls, and telemarketing.

You can use direct mail to promote high-ticket, high-profit products when you don't want to tie up your money in inventory. By utilizing direct mail to pre-sell special order items, you not only get prepaid orders for positive cash flow, you also can pre-book enough advance orders to enable you to negotiate a better price from the supplier. And that's just for starters.

The more frequently you communicate with your customers, the more often they will buy with a larger unit of sale, the more they will refer, and the more loyal they tend to be.

Imagine you had a gun to your head and your life depended on getting the sale! Here's your chance to win someone over, get passionate, and say everything from the heart, highlight the benefits, features, call to action, bonuses, risk reversal, guarantees, and epilogue.

There's an old philosophy, "A great concept will transcend bad copy, but a bad concept will never transcend great copy." Think through your concept! If the copy is right and the concept is wrong, it will always fail. If the concept is right and the copy is lousy, it will still succeed!

Once you've mastered direct mail, you possess a potent marketing tool that can stretch your marketing abilities many times over.

Remember, there's no law that says you can't incorporate multiple strategies of a given concept at the same time. There's no law that says you can only use direct mail as a follow-up, or to send a newsletter, or to find leads, or to penetrate new markets.

The easiest, most effective way to bring the power of geometry to bear on your business is to have multiple selling systems in place at the same time. Your goal should be to use direct mail in as many ways as possible — simultaneously. Do that and your business can't help but grow geometrically!

The Wizard Speaks

Here are a number of suggestions from direct mail wizard Lauren R. Januz, reprinted by permission:

- Make sure that direct mail is a proper medium for your business or organization... that you can use it effectively to contact a sufficient number of identifiable and addressable good prospects... with sufficient frequency... at sufficiently low cost... to show a satisfactory net profit on your direct mail efforts.
- For direct mail to be most successful, it should offer the right product or service... to the right prospects... at the right time... in the right manner to cause enough prospects to buy enough of these products or services to provide the marketer with a satisfactory net profit.
- Develop and maintain an accurate, up-to-date demographic and psychographic profile of each important segment of your customers. Study the profiles carefully and frequently.

Note especially any significant increases or decreases in the number of customers who fit a specific profile. Use these profiles for guidance in product selection, pricing, payment terms and presentation, selecting customers who are most likely to be interested in the offers contained in specific mailings, and selecting mailing lists containing prospects with profiles similar to those of your customers.

- Direct marketing experts agree that selection of a suitable product or products is the first step — and one of the most crucial elements — in making a direct marketing company successful.

Select products (1) that will satisfy the prospect's needs, tastes or desires at a satisfactory price on satisfactory terms and (2) that the marketer can sell at a satisfactory net profit taking into account such factors as: appearance, spoilage, durability, installation, operation, maintenance, repair, legality, shipping considerations, inventory, fulfillment, guarantees and warranties, returns and refurbishing and duration of demand.

How to Make Direct Mail Work for You!

There are four basic types of direct mail promotions:

- Direct sales/prospecting (asking for the order).
- Lead generating (asking for an inquiry).
- Third-party endorsements (such as a third-party endorsement where an established business with an active customer list introduces you and your product to their customers).
- Database marketing (mailing to your own customers).

Depending on the type of product or service you're marketing, the willingness of the intended buyer and the proposed action, you can choose a direct mail type and begin developing your letter, focusing on the intended result.

Mail-order advertising, for example, must tell a complete story if the purpose is to make an immediate sale. You see, there are no limitations on the amount of copy. The motto is, "*The more you tell, the more you sell.*" Mail order can be solo, it can preface sales calls, it can follow sales calls, it can preface telemarketing... whatever your needs are, you can design a piece to fulfill them.

Putting the Package Together

Okay, now that we've discussed the many ways you can use direct mail, let's focus on the package itself.

Direct mail packages run the gamut from simple to sophisticated, straightforward to complex. There is no right or wrong way to structure a mailing — it all comes down to what works best for your purpose.

For example, if you're a dentist or a chiropractor who has recently moved to a new location, you may want to send out a simple "hello" letter introducing yourself to potential new patients. Your "package" might be little more than a one-page letter in a plain business envelope.

On the other hand, if you're a restaurant owner looking to drum up corporate Christmas party business, you might send a mailing to local companies that includes a letter from your catering director, a copy of your menu, a brochure on your banquet facilities, perhaps a brief separate note from you, and a reply device for reserving space in your reception hall or requesting a call-back from a banquet manager.

Basically, there are six potential components of a direct mail package:

1. The carrier, or envelope.
2. The sales letter.
3. A brochure.
4. A "lift note."
5. An order form/response device.
6. A reply envelope.

The carrier is the outside packaging that holds all the components. It needs to be enticing enough to get the recipient to open it. Accordingly, there are a multitude of decisions to be made

about the envelope, including size, color, postage (meter versus live stamp), paper stock, and whether it should include pictures or “teaser” copy on the outside.

Think of the carrier envelope as doing the same job as an ad headline. Just as the ad headline entices you to read the ad, the job of the properly-crafted envelope is to get the letter opened.

Take a tested headline from your most productive display ad and put it boldly on the outside, lower left corner of your envelope. Or, pull down the first few words from your most effective sales pitch and put them on the outside or back of your envelope. Remember, space is limited.

Take note that postal restrictions limit your message to a certain portion of one side of the front and back of the envelope. (Check with your local Postmaster for current limitations.) You must be ruthless in condensing down to the most powerful, high impact words that arouse curiosity.

Differences in size, color, or stock can sometimes get an envelope noticed, but be careful — being too whimsical may affect whether the contents are taken seriously. Live postage (an actual stamp) has a more personal effect than metered or “bulk rate” postage, although it may not be practical or cost-effective with larger mailings.

As for teaser copy, many business owners opt not to use it because they believe it can make a package look like promotional junk mail. However, teaser copy may also lure the reader into opening an otherwise nondescript envelope. If you’re not sure whether to use teaser copy or not, my advice would be to test two different versions of the envelope and see which mailing pulls a greater response.

On the other hand, the envelope may be plain (white or colored), resembling a personal letter — with no hint as to its contents. By disguising your direct mail to look like personal correspondence, it can get by the secretary and avoid the circular file.

Some people put distinctive language on the upper left corner of their carrier envelopes, like “Executive Offices,” “President,” initials, “Research Department,” or “Treasurer.” Experiment and find what works best for you.

I've used both teaser copy and plain white envelopes. Both worked well, but for different purposes. Test to see which approach yields the most profitable response.

Keep a written record and a file of carrier envelopes that got your attention. Remember, the envelope must get opened in order for the enclosed letter to be read. Once this all-important task is done, the envelope's job is over.

The sales letter is the actual sales pitch — the “beef” of your package. The letter relays what the product or service is and how it can benefit the customer. In short, the sales letter does everything that a traditional verbal sales pitch does.

Here are specific “missions” that your sales letter should fulfill:

- It must get the reader’s attention with a powerful headline.
- The letter must show distinct advantages in the body copy.
- The letter has to prove or validate your claim of benefits or advantages through factual examples — comparisons, testimonials, or credentials.
- The letter must persuade the reader to reach out and seize the advantage you promise.
- The letter must motivate the reader to act, to respond, order, write, come in, or send back the coupon.

Many business owners cringe at the thought of sitting down and writing a sales letter. But trust me, you don’t need a dual degree in marketing and English to write a powerful sales letter. All you need is a sound knowledge of your product or service and a keen understanding of the benefit it brings to someone’s life or business.

Here’s what I suggest you do: Get a tape recorder. Then sit down comfortably with someone you trust and make the most compelling, one-on-one case you can for your product or service.

Answer every question that could be in a prospect's mind. Challenge your friend or associate to ask you questions. Talk about the beneficial result your product or service provides. Put forth every compelling point, reason, and advantage it offers.

Be sure to record your session. Then get it transcribed and printed out. With just a little bit of editing, you will have written a tremendously powerful sales letter — without ever having to stare at a blank page!

As you edit your sales letter, keep in mind the following tips:

- Follow the AIDA formula: Grab the reader's Attention. Deepen the reader's Interest. Increase the reader's Desire. Then call the reader to Action.
- Include a headline to capture the reader's attention and lead them into the body of the letter.
- Remember that your letter will be read by one person at a time. Don't write to the masses. Write to one person. Make the letter feel as personal as possible — be sure to refer to the reader often by using the words "you" and "your."
- Read your copy aloud so you can see where it doesn't flow and where it needs smoothing out.
- Take out unnecessary repetitions. Use short sentences, short paragraphs, everyday English. Use some one-word sentences — one-sentence paragraphs, too.
- Use a generous supply of subheads to make your copy look interesting and easy to read.
- Be sure to include a postscript (PS). Many people will read the PS before they decide whether to read the letter, so make sure it sounds enticing. The PS should summarize your offer and underscore the key benefit or bonus or advantage.

The sales letter is obviously a big subject! I'll go into even greater detail later on exactly how to craft this valuable piece.

A brochure is an advertising piece that should further your sales pitch. The brochure is usually more colorful and glossy than the basic letter. This is where you can expand on features of your product or service, describe specific aspects in more detail, and outline different options or levels of service available. On the back of the brochure, you might include a list of testimonial statements from past customers or clients.

A lift note is a very brief, introductory, easy-to-read note that prompts the recipient to continue reading or take action. Lift notes are typically from someone other than the author of the sales letter (such as the owner, marketing director, or publisher). Lift notes can also be from someone outside your business or practice, such as a recognized figure who is endorsing your product or service.

An order form or response device is typically a card or form that the recipient can fill out and return to place an order, sign up for a service, or request more information. The form itself should be simple and straightforward.

It should be easy to understand with clear and concise wording. Give the respondent a box to check off next to wording that indicates his or her interest and restates the specific benefit.

For example, “Yes, I want to learn how to cut ten strokes off my golf game.” Or, “Yes, I am interested in doubling my investment income. Send me your free report.” Remember to include space for the respondent’s name, address, phone and fax numbers, e-mail address, etc.

Finally, a pre-addressed (and preferably postage-paid) reply envelope should be enclosed to make it easy for the reader to respond to your offer. If you’re not asking for credit card numbers or other confidential information, you could simply have your reply device be a postcard and avoid the need for a separate envelope. Make the reply card postage paid. Most offers do not. Make it as easy as pie to respond. Eliminate all reasons for delay or procrastination.

Getting the Right List

Even if all the components of your direct mail package are perfect... even if you have the most irresistible offer presented in the most creative, persuasive format imaginable, you still won’t make a single dollar’s profit if your mailing doesn’t reach the *right people*. ***Simply stated, the right letter and the right offer won’t sell to the wrong mailing list.***

No one will buy your product or service if they're simply not interested in it. You should only mail to people who have a history of buying your type of product or service — or who are logically predisposed to being interested in what you are offering.

You can use mailing lists to help you find these customers, nationally or locally. Mailing lists can provide prospects based on demographic traits (age, income, marital status, occupation) or interest variables (hobbies, publications read, shopping traits, typical purchases).

Using Computers To Target Your Best Mailing List

Direct mail has exploded as the fastest growing, most profitable, and most easily traceable means of marketing thanks in part to the phenomenal growth and sophistication of computer programming and the availability of highly specialized mailing lists, categorized by every imaginable classification.

Compiled lists are readily available that categorize virtually everyone: attorneys, golfers, company presidents, company personnel managers, company fleet managers, computer experts, members of Elks Lodges, swimming pool owners, dog owners, horse owners, gardeners, tennis club members or car owners by specific make, model, and year.

That's merely the beginning of the new and sophisticated ways you can microscopically focus on prospects for any business product. Want to know who subscribes to any of a thousand different magazines, journals, newspapers, and newsletters?

No problem: You can readily rent the subscribers of all but a tiny handful of publications. Wish you could tap into the people who bought merchandise from Sharper Image? Hey, that customer list can be rented. So, too, can the customer lists of nearly 5,000 other mail-order firms.

Likewise, you can rent lists of voters, of donors, of churchgoers or of any demographic designation you can dream up. Thanks to the magic of computers, you can eliminate the possibility of duplicating names, even if you rent a hundred lists.

You can avoid wasting your money mailing to people who hate "junk" mail. You can personalize every letter by name, address, and salutation. And it costs a mere 25 to 35 cents to personalize each letter.

There are two primary types of mailing lists:

- **Compiled lists** (such as directories, phone books, etc.) are categorical lists of people who have similar things in common. They may be owners of certain kinds of automobiles, or people who live in certain kinds of affluent areas, or people of certain age groups, or people who share political, educational, or professional affiliations, to name just a few.
- **Direct-response lists**, on the other hand, include those people who have ordered by mail or phone before, or have a proven history of being responsive. These are people who have purchased, inquired, attended, or participated in some way with regard to a specific product, service, or activity.

They may be subscribers to a particular publication, attendees at a specific seminar, or purchasers of a particular product or service. In short, they've demonstrated that they have a commitment toward the area of interest you're targeting.

Compiled lists are cheaper, but in most cases they do not work nearly as well as direct-response lists. Always use direct-response lists before you try compiled lists unless there are no direct-response lists for your market.

OK, so how do you find these lists? Two ways: First, you should get your hands on a directory called the ***SRDS Direct Marketing List Source*** published by the Standard Rate and Data Service in Des Plaines, Illinois (800 851-SRDS).

The SRDS is the "bible" of rentable lists (both compiled and direct response) — an enormous directory of every available list in the country. You can either subscribe to the searchable directory on the Web at www.srds.com, buy the directory in hard copy (updated bimonthly), or any good business library should have a copy that you can peruse for free. It's definitely worth the trip.

The massive SRDS database is organized in a logical format so you can locate the exact list(s) for your specific purpose, and compare available lists. It is divided into consumer lists and compiled lists, depending on if you're selling to end users or selling business-to-business.

The SRDS will tell you the following about each listing:

- market classification (demographics, product, industry, consumer market, etc.);

- title of list;
- name of person in charge of selling the list;
- description of list (average units of sale, patterns of sales, zip code sequence, etc.);
- list source;
- quantity and rental rates (usually price per thousand names);
- commission and credit policy;
- method of advertising;
- delivery schedule;
- restrictions;
- test arrangements (rates, premiums, minimum numbers);
- lettershop service; and
- maintenance (updating procedures).

The second source of mailing lists is a list broker. You can find mailing list brokers in the local phone book, although there's also a list of the most prominent and reputable ones in the first section of the *SRDS*.

List brokers make their living by knowing where all the lists are — and being able to recommend and acquire them for business owners like you. They compile lists with many different demographic profiles, i.e., compiled for certain businesses, industries, trades, fields, professions, positions, titles, hobbies, sports, travel, income level, auto owners, home owners, credit card holders, subscribers to certain magazines, trade journals or associations... and on and on.

Mailing lists typically are rented for one-time use at a given rate per 1,000 names (e.g., \$100.) Mailing list brokers will work with you to determine your target market, then identify and acquire for you priceless lists of prospects in that market — all at no additional cost to you. (List brokers make their money by receiving discounted rates from list owners.)

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

LIST OWNER: Somebody like yourself or your company who owns a mailing list that has been built for marketing their own products and services.

LIST BROKER: A middleman who represents the list owner to sell rentals of his list for a 20% commission.

LIST USER: The company that rents someone else’s mailing list for the purpose of sending out its promotional mailings.

LIST MANAGER: A firm that undertakes the promotion and sale of your mailing list to other brokers. The firm may be involved in computer services and can also handle computerization and maintenance of your list. It may also function as list broker and list compiler on a fee or percentage basis.

LIST COMPILER: A firm that builds mailing lists from raw sources. Its sources can be mail order response, business directories, or telephone books. This company owns the list that it may market itself or it may market through list brokers — or both. Some of the better known list compilers include Dunn & Bradstreet, National Business Lists, Ed Burnett Consultants, Reuben H. Donnelly Corporation and R.L. Polk Company.

What’s the best way to select a mailing list? One easy way is to ask two or three different list brokers to recommend a list. If any of them recommend the same list, that’s a good sign. Ask them to show you the mechanism used to generate their lists, the mailings they send out, the catalogs they send out, or more about the company.

Call the company to see if you can find out more about them. Ask them questions about their customers. Tell them you're thinking about renting their list and you want to know about them.

Do as much due diligence as you can, because list rental is the cheapest investment for reaching prospects. The mailing, the cost of printing, postage, and the lost opportunity if it's incorrect or if your product or service is incorrectly presented, can be suicidal to you. Ask to talk to people who've mailed the list and made money with it. Ask for three, four, or five different names. If one list broker won't do all these things, maybe you should talk to another.

Tell the broker what your business is; tell him what you're trying to do. Ask him to make recommendations, and ask him why he made the recommendation. Ask him to send you samples of the ads, the letters, or the vehicles used to generate the customers or the prospects on those lists. Then call the company themselves as if you were a prospect, listen to their pitch, and ask them to send you their latest mailing pieces.

That will help you choose the list. If you get the same message from two or three different list brokers, choose the one you feel the most comfortable with. Tell the people you want them to help you grow. You're not a big client. Ask if they're interested in working with you, knowing you can only be worth \$500 or \$600 to them right now. And if someone's too busy for you, don't work with them.

If you want to get a list from a magazine, normally the magazine has an internal list rental department. Go to the magazine first, because many of them don't have a list broker and rent their lists directly. Maybe they'll give you a discount.

Some lists are ostensibly unavailable, but you can sometimes trade for them or give the owner of the list a profit share. There are ways to finesse lists out of the hands of owners for rental purposes.

There are other easy ways to find lists. For example, there's a newsletter published out of New York called "The Gallagher Report." It covers the world of advertising, and once a year they publish a special issue that lists all of the major magazines and ranks them by circulation.

Here's another: Just by purchasing *Ad Weekly* you can find names and addresses crying to be harnessed. The classified ads in your paper serve as another reference in finding people you can mail to... for virtually no expense to you.

I would also establish solid relations with my competitors for this reason: You want to attract every possible client. Obviously, your competitor does, too. If two or three or however many of you want to participate, exchange lists, or buy lists from each other with an agreement to work a back-end percentage, sharing the profits, you can boost income tremendously.

Of course the best list of all, and the one that costs you no more money whatsoever to acquire is YOUR OWN CUSTOMER LIST! That's an invaluable list of people who you KNOW are already interested in your product. Make sure you work it to the bone.

Test segments one at a time using new and unique approaches. (I'll give you plenty of examples later to stimulate your imagination.) Personalize your mailings, from the greeting to using a live stamp.

Remail to customers who have not been active either recently or for a long time. In your letter, treat them as a valued veteran customer and explain to them openly what you are doing. The more honest you are, the more personal you will sound. And believe me, you will get business.

Test, Test, and Test Again

One magazine sends out millions of letters annually, some to get subscriptions, some to sell books. But before the publisher sends out five million letters, he puts a few thousand to test. He may try 25 letters, each with 1,000 prospects. He learns what results will cost. Perhaps the plan is abandoned because it appears unprofitable. If not, the letter that pays best is the letter he uses.

Mail-order advertisers do the same thing. They test their letters as they test their ads. A general letter is never used until it proves itself best among many by actual returns.

Once you've got your package ready and your lists identified, be sure to test several different variables before you fling yourself full force into a large mailing. You'll certainly want to test the quality of the list on a small scale first, but you should also consider testing different

aspects of the package itself. Try an envelope with and without teaser copy. Try different headlines in the sales letter. Test different offers.

How exactly do you conduct a direct mail test? By doing what's called an "Nth name A/B split." An Nth name sample is a theoretically perfect cross section of the quality of the list you're testing where you choose every tenth name, or hundredth name, or whatever increment gives you the final sample size that you want.

Before you mail to 100,000 untested people and spend \$25,000 or \$40,000 in postage and printing, do a 5,000-piece Nth name test sample of one version of your mailing piece against another.

Although it's important to test as many variables as possible, remember to *only test one variable at a time*. One of the most common mistakes in testing is to have multiple variables in an A/B split. Then, when A beats B, you don't know if it was because of the headline, the teaser copy, the sales letter, the offer, etc. Don't let this happen to you!

As you conduct your tests, the package that outperforms the other(s) should become your "control" package. Always test new variations against this control. If something beats it, then that new package becomes your control, and so on. That way you're always improving on the best.

- Remember the five basic rules of direct mail: Test, Test, Test, Test, and Test.
- Test continuously to discover more effective offers, prices, payment terms, copy, premiums, formats, etc.
- Don't be afraid to run without a test if your gamble is small.

Once you've found a package combination and a mailing list that works well for you, be sure to go back to the profitable list a second time. Mailing the exact same piece to the exact same list two to three weeks later will generally produce 50% of the original response. Why? Because you're reminding those prospects who *intended* to order, but never got around to it.

I'll have much more on testing later on, but for now let's assume you're working with a list that will work well for you, and you only have the small task of designing the actual mailing piece. Where do you go from here?

This is where the fun begins — and it is fun, if you take a personal, one-to-one approach with your campaign. After all, this is your opportunity to touch base with some of the most important people in your business life — your clients.

One last reminder: When you find yourself getting caught up in the excitement of generating new business and new profits from your direct mail strategy, be sure to remember the most important (and profitable) mailing list of all — your existing customers!

Your current customers, clients, or patients should always be the first people you mail to because they invariably make up your best list. After all, you already know they're predisposed to buying from you.

What's more, because they are your best customers, you owe it to them to let them in first on anything new, special, or unusually beneficial that you're bringing to market. Treat them well and they'll continue to treat you well!

A Step-by-Step Guide To Writing Effective Sales Letters and Brochures

“Copy” is the direct mail term for the words in the sales presentation — here, the letter — that help to pique interest and convince the prospect to buy, call, write, or come in. Its objective is the same as your salesperson’s: To convey your product’s image through examples, promises, and benefits.

If your business is successful, it’s probably because you know how to sell. You can adapt those same live sales techniques to writing the sales letter. If you currently use radio, TV, or print, it’s a simple transition to direct mail. If you use salespeople, translating your oral sales pitch to written form should be easy.

Your sales pitch probably contains the following:

- A strong, urgent appeal that creates a need or desire for your product or service.
- Strong reasons why your product or service can satisfy those desires.
- Tightly edited copy, devoid of needless words and sentences.

- Words that overcome objections.
- Answers to questions.
- A strong close.

You already know the hot buttons, buzz words, and strongest propositions. Translate them onto the printed page. Create a personal letter that conveys your sincerity and the image that you wish to project. As much as possible, the letter should replicate a one-on-one, cozy conversation around the fireplace.

Don't make the letter itself technical — the brochure is the place for hard facts, specs, and performance figures. (And don't forget to test. If you decide to include a brochure, test it against not using a brochure.)

Writing is basically nothing more than salesmanship in print. The effort and components are the same whether you are selling to one million people by a sales letter or to a single person who walks into your office or store.

Successful sales letters should immediately capture the reader's attention, provide them with a desired benefit, and lead them to take action. I believe — and my tests have proven — that the best sales letters are those that tell a passionate story in the most complete and compelling way possible.

It's important to write your sales letters with a personal and sincere tone and clearly delineate the benefit to be derived. The following outline should serve as a valuable checklist as you develop your sales letter:

The Seven Essentials of Powerful Sales Letters

1. Say something that gets the reader's attention.
2. Tell the reader why he/she should be interested.
3. Tell the reader why he/she should believe what you are saying is true.

4. Prove it's true.
5. Itemize and describe all the benefits (not features) of your product/service.
6. Tell the reader how to order.
7. Tell the reader to order now.

Do these seven essentials ring a bell? The outline above is really an elaboration of the well-known formula for writing ad copy that I mentioned earlier, the AIDA formula — Attention, Interest, Desire, and Action. If you can remember those four words, you'll be more likely to write excellent sales letters.

To write a compelling letter, first spend time thinking about it. Take the effort to dissect your product and find fresh new ideas and insights that turn your readers on. Analyze the claims of your competitors, and you'll often come up with imaginative and convincing arguments for your own product. If you analyze your sales records, customer profiles and service records you can generate ideas that readers will really eat up.

I often talk about viewing your product as if seeing it for the very first time. This is a great vantage point to write from because your letter will be the first exposure many readers have to your product.

Explore all advantages you can offer.

Now, let's go over the steps you would take...

STEP #1 — THE HEADLINE

The purpose of the headline is to capture the readers' attention and to lead them to the body copy of the ad or sales letter.

Think of the headline as an ad for the sales letter. It flags the reader down to read more and offers him a desirable reward for doing so. It tells him how he can gain, save, profit, achieve, or accomplish something through the product or service.

It should give the reader a Big Benefit or Big Promise, so it's important that the headline tell the right people precisely what you are offering. It shows how the product or service will increase mental, physical, financial, social, spiritual or intellectual well-being, satisfaction or fulfillment. It shows the reader how to avoid, reduce or eliminate problems, risks, difficulties, worries or fears by using the product or service.

Don't just stop at one. You should write many headlines for a particular letter. Always think up a dozen or more and then edit out the ineffective ones, finding headlines or elements of a headline that work well. Sift through the remaining ones or combine parts until you have a single, highly effective headline. If it helps, ask someone else to brainstorm with you in your initial efforts.

As always, once you've found a winner — your "control" — stick with it until your tests show a better performer. *Kiplinger's Newsletter* with a "Boom or Bust?" headline has been used for 25 years. Nothing has ever outpulled it!

I would say the most successful headline ever written was this:

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

You Can Laugh At Money Worries — If You Follow This Simple Plan

**Free \$39 Stock Market Innovators' Survey Explains
24 Specific Ways To Boost Your Profits In Common Stock Investing**

Own A Business Of Your Choice Without Investing One Cent

Are You Too Busy Earning A Living To Make Any Money?

And there are countless others.

I can't stress enough how important and valuable headlines are. Your sales letter or brochure must have an attention-grabbing headline to capture immediate attention and lure the reader to the body copy.

STEP #2 — THE BODY OF A SALES LETTER

Body copy is essentially the same as headlines, only far more specific and detailed. When you write the body copy, you're wearing two hats. You want to sell, but you must also put yourself in the shoes of the reader. Write the entire letter from the consumer's side.

After the "Dear Friend" salutation, the body of the letter shows people the advantages of your product. The reader wants to know the same things we covered in our discussion of headlines — "What will the product or service do for me?"

Try to make your opening sentence as short as possible. "I wonder if you can help me?" Try to follow with similar short sentences. Write one-sentence paragraphs. It makes reading on almost irresistible. Use dots to help the flow. It's better than a full stop... but don't overuse the effect!

Begin by clearly disclosing a single powerful advantage, then show more progressive advantages throughout the letter. Deepen the reader's interest by expanding on the benefits — not the features — you offer. Don't assume that the reader knows what they are — explain them clearly and simply.

I'll say it again: Put the main emphasis on the product or service's benefits to the reader, *not* on its features. It's absolutely essential to realize that readers don't buy

products — they buy advantages or benefits. That's a far simpler concept than you may think.

For instance, people don't buy variable speed drills with rechargeable batteries and 40 bits — they buy the ability to have holes where and when they need them. Women don't buy designer dresses to stay warm and cover their bodies — they buy the ability to look more attractive and project a certain image.

Features are important, but you have to state them as benefits if you want to excite the reader's imagination. Talk about *buying* points. Selling points (product features) belong inside brochures, if anywhere.

Show in words and concrete imagery what they can gain or save or achieve using your product or service: How will it benefit them?

Here are some desires and needs you might address:

- Improved appearance or health.
- Business achievement, advancement, profits or savings.
- Praise from others.
- Becoming a better parent.
- Influencing others.
- Expressing yourself more potently.
- Satisfying curiosity.
- Enhancing your creativity.

Once you have delineated the product or service's benefits, increase your reader's desire by spelling out the specific needs particular customers would like to have filled. Then explain in simple language how your product or service fills those particular needs.

Describe how their life will be better off once they buy your product or service and put it to work in their life or their business. Tell them, too, what could happen to them if they *don't buy* your product or service. Your goal: Make them *want to buy*.

Present The Facts, State The Basic Truths

You must then validate your claim. Use facts — and plenty of them. Solidify reader conviction and legitimize your offer.

People need and want facts as rational reasons for making emotional buying decisions. Facts and proofs build belief and make the reader feel his buying decision is wise — and belief is a by-product of emotion. Never forget that the heart dictates to the head. Your reader *wants* to believe your letter.

When you present the facts, begin with a statement of basic truth, known and accepted by the reader. By introducing known facts, you create believability for later statements. As you present more facts, your reader will unconsciously say, "The first statements were true, so the others must be."

Facts and statements that may impress your reader include:

- Specifics about construction, material, and workmanship.
- Facts about the reputation and the standing of your business: Your facilities, research, location, or night and weekend hours.
- Details about employees' experience, credentials and skills; how many people you employ by job category; their specializations.
- Special production processes your competitors don't have. Also, processes everyone uses that your competitors have never promoted — even standard operating procedures.

- Usage of data, records, and documents or case studies (People love to see data, even if they can't evaluate it).
- Names of prestigious past or present customers and their endorsements.

Always use specifics, not generalizations, when citing facts and tell how you arrived at them.

Explain clearly and carefully all the sound business reasons *why* you can offer such a wondrous deal. For example, if you can produce widgets for one-third the cost of your competitors, explain the precise dynamics of how you can find discounted, high quality “raw widget material” when your competitors can’t.

Consider these copywriting hints:

- Well-illustrated, detailed descriptions in print can do a better selling job than most salespersons in retail stores. It also makes it easier for the recipient to absorb and understand more of the selling features of the product.
- A distinctive personality and copywriting style gives your business a powerful plus.
- Avoid “ad-lines” in your copy style. Make copy sincere rather than sophisticated, conversational rather than cute or so clever it distracts the reader’s attention from the essential selling elements of the message.
- Unless you believe in what you’re writing, the reader probably won’t either.
- Design your copy to create rapport with your readers.
- Make your copy warm and conversational.
- Make your copy interesting to read by using an open, specific, concise, and easy-to-read style.

- Use short, colorful words that are simple, concrete, and active. If you’re going to talk to people, learn the language they use in talking to each other — and use that type of language in your copy.
- Use the kind of language you know the reader likes to hear — language that appeals to the reader’s favorable attitudes towards life and toward himself
- Use language attuned to the product or service advertised.
- Occasionally use words that disrupt the reader a bit in the smooth reading of the copy — words which will make him pause, maybe make him wonder. (But don’t let your style distract from the selling message.)
- Follow one of the better-known copywriting formulas as a guide in preparing your mailing pieces.
- Make your copy paint word pictures for your readers.
- Use the storytelling style, well-laced with tiny boredom busters.
- Use “spoofism” occasionally to add warmth and friendliness to your copy.
- Use the “cordial contact” approach in reminder letters.
- A chatty style may increase readership and credibility.
- Using negative wording while maintaining a positive viewpoint can increase impact and credibility and reduce customer dissatisfaction and merchandise returns.
- Use fragmentary sentences separated by three dots to create rhythm in your copy.
- Asking questions may be more effective than making statements.
- Use the questionnaire format to highlight the principal feature of your product.

- Describing product features is fine, but describing their benefits to the owner or user is much more effective in producing sales.
- If your product or service offers numerous benefits, assign each one of them a number and list all of them in numerical order for extra impact.
- Sell the benefits of ordering by mail or phone in addition to the benefits of your product or service.
- Putting your letterhead at the bottom of the sheet leaves the top of the sheet free for selling headlines.
- Similarly, the area where the name, address, and salutation usually appear frequently can be used to better advantage by placing selling headlines in the area instead.
- Spotlight your most important sales points in your headline.
- Design the heading or opening paragraph of your letter to grab the recipient's attention. Spark his interest in your message and whet his appetite for more.
- In the first few lines of your letter, give the recipient a special incentive to read the rest of it.
- Project the reader into the enjoyment of your offers as soon as possible in the copy.
- Summarize your offer at the start of your letter if it has a lot of power.
- Present the gist of your message in "billboard style" at the top of your letter.
- Mention the referrer's name at the beginning of the letter to increase receptivity and interest on the part of persons whose names the referrer gave you as prospects.
- Increase the impact of both the first words and the last words of your mailing.

- Use a testimonial as a headline or the opening paragraph of your letter.
- Make a testimonial letter the heart of your letter. Never underestimate the selling power of believable testimonials.
- Impressive case histories make exceptionally effective selling copy.
- Use case histories to support claims and to suggest similar use(s) of your products by the recipients of your mailings.
- If you offer more than one product of the same type, use tables and/or “parallel” descriptive copy to make accurate comparison and selection easier for the prospect.
- Match-up and comparison tables increase the ease of making accurate selection and reduce the number of merchandise returns.
- Product-use information can increase sales and enhance your image.
- Give prospects useful information concerning product use, operation, and maintenance.
- Suggest numerous uses for your product or service — especially new or little-known uses — to expand its appeal to a greater variety of prospects.
- Inviting the prospect to make his own comparison of your product(s) and competitive product(s) is a powerful confidence builder and stimulus to order.
- Offer specific suggestions and inducements to prospects for increasing the size of their orders (see “Action Stimulators”).
- A meaningful tie-in with a timely topic (inflation, energy, ecology, shortages, specific holidays, major events of national interest etc.) is one of the best ways to attract attention and capitalize upon the publicity given and public interest in such topics.

- If your product is or can be described as an “inflation fighter,” emphasize that fact.
- Feature your coupons, discounts, rebates, and reduced prices as inflation fighters.
- Describe your products or services as “problem solvers” by using “How to” headings in your mailing pieces.
- Describe a current or potential problem, and tell how your product or service can solve it.
- Show how specific merchandise can solve specific problems for the user and enhance his or her business or social status.
- Help your reader solve problems and give him assurance that he can do, can achieve, can succeed, can enjoy.
- If your product carries a higher-than-average price, justify it to your prospect.
- To secure maximum benefit from your credit terms, spell them out clearly, boldly, and prominently.
- Be sure to spell out alternative payment plans available to purchasers.
- For maximum clarity and sales effectiveness, spell out savings clearly.
- If you’re selling low-priced, highly competitive merchandise, emphasize value in addition to low price.
- Stress the benefits your shipping service offers customers.
- Dramatize the return and refund privileges you offer.
- Make more effective use of the twelve most persuasive words in the English language: Save, Money, You, New, Health, Results, Easy, Safety, Love, Discovery, Proven and Guarantee.

- The word “Free” is still one of the most powerful action stimulators in the English language.
- Feature “Free” from start to finish of your mailing package.
- Prove to your prospects that your “Free” gifts are really free.
- “Important” is a power word — but use it only when your message justifies it.
- The word “Charter” in subscription, reservation, membership, or other types of offers attracts many persons who like to “get in on the ground floor.”
- Mention of a “Reference Card” adds interest and impact when recruiting salesmen.
- “Never sold in stores” adds distinction to your product.
- “Don’t send any money now” or “Don’t buy it, just try it” enhances the quality image of your product and helps convert borderline prospects to customers.
- Express huge figures in terms that are easier for your recipients to understand.
- If your offer is seasonal, it may pay to say, “This is the ONLY time this offer will be made this year.”
- Use a “Last Chance” follow-up mailing to remind prospects of your cutoff date.
- Telling the recipient “not to” usually makes him want to.
- Repeat keywords several times in big type for extra attention, value, and impact.
- If you use sweepstakes regularly as a promotional device, show photos and names of previous winners and the amounts they won when you announce a new contest.

- Use a photograph of a previous winner and let him or her make a promotional statement in connection with the start of a new sweepstakes contest.
- Take advantage of the fact that people love to take tests.
- Involvement tokens and stamps are no longer new, but they're still effective. If nothing else works, test using "snob" appeal.
- Identify the recipient as a member of a select group that is receiving this mailing.
- Tell the recipient what a select group he will join if he accepts your offer.
- Lower barriers to making the sale by asking and answering questions frequently asked by prospects.
- If you ask a recipient to give you certain information, explain why you need it and how he will benefit as a result of providing it.
- Outlining the step-by-step procedure to follow in ordering may increase the number of orders received.
- Sometimes a letter "written" and signed by the spouse of a marketer can be very effective.
- Use a postscript on every direct mail letter. The P.S. is second only to the headline in importance.
- Use a postscript to give your prospect an extra reason for ordering, ordering promptly, and/or sending payment with order.
- Print premium information or testimonials on the back of your letter.
- Long, long letters frequently pay off.
- The secret of writing is rewriting. Put your completed copy aside for a day or two — then read it again and see if there isn't room for improvement.

STEP #3 — RISK REVERSAL

The Power of Risk Reversals and Preview Periods...

Risk reversal is the process of transferring the onus of the risk of purchase from the customer to the seller. I always use it. When most people give their customers a short-term purchase guarantee, I give mine many times that usually offered.

If the industry norm is a 10-day guarantee, I'll give 60 days; if the industry average is 60 days, I'll give nine months or a year.

If the industry norm is to ask the customer to make a great effort when seeking a refund, I require virtually no effort. I tell my customers, "Don't even send back the product. You need not tell me why you want a refund. I'll send you an immediate refund the day you ask for it — no questions asked, no hard feelings."

Furthermore, I give that customer two or three times the needed review period to make the purchase non-threatening and non-intimidating. Finally, I throw in a bonus worth almost or more than the cash purchase price I'm trying to get. And the customer keeps the bonus even if he or she asks for their money back thus, a better-than-risk-free proposition.

Taking the risk off the customer and placing it solely on your shoulders indicates how confident you must surely be in the performance, quality, and level of customer satisfaction of your product or service. Furthermore, it costs them nothing (in risk or difficulty of seeking a refund) to try your proposition out.

In many cases, it has tripled up-front response and increased returns by a negligible amount.

Amplify the appeal of the request for action with risk reversal: Tell your prospects that the risk is all on you. Show the readers exactly how and why they have zero risk or obligation.

Many business owners are reluctant to reverse risk or give a guarantee for fear they will be taken advantage of. But you don't need to think this way. Sure, every so often someone will take you up on your guarantee, but so many more people will buy from you *because of* your

guarantee (it provides them with a feeling of control or security) that the advantages will clearly outweigh the disadvantages.

Be sure to tell your reader exactly what your guarantee really means. If you simply say, “We guarantee our service,” well, what does that mean? Instead, be descriptive: “If, for any reason, you are not completely satisfied with our product, just call us and we’ll give you a complete refund — no questions asked.”

This type of ironclad risk reversal gives the readers a feeling of control. They know exactly what will happen if they call you and are unsatisfied.

There are many forms of risk reversal that you can offer. You can guarantee that their charge card won’t be charged until 15 days after their purchase to ensure their satisfaction. You can guarantee that if anything goes wrong, you’ll have a repairman at their house within 24 hours. You can offer a free initial consultation — the list is virtually endless.

Offer the strongest risk reversal you can live up to. Stress it, repeat it, and be sure all customers are aware of it. Repeat it in the letter, on the response device, even on the envelope.

Some points to remember with risk reversal:

- State your guarantee and warranties in the strongest possible, legally permissible terms — and repeat or refer to them often throughout the mailing package.
- “Sell” your guarantees and warranties right from the start — beginning with the front of the mailing envelope.
- If your guarantee or warranty is stronger than most others in the same field of business, call the recipient’s special attention to that fact.
- A full, one-year, money-back guarantee on a new business book was a powerful selling point.

STEP #4 — THE OFFER AND CALL TO ACTION

Now get your reader to act.

If your headline is great, your body copy loaded with compelling facts, your proof solid, and your advantage appealing, it still won't be profitable unless you ask the reader to act — now!

Many good sales letters end flat by failing to tell the recipient to act. This is a waste of the momentum you've established. A salesperson may get a second chance if they fail to close, but a direct mail letter can't.

Action-inducing techniques should be direct. Tell the reader exactly what to do:

“Pick up the phone and call our customer order lines.”

Or, “Go to our closest store.”

Or, “Don’t let another day go by without sending in for this free information. Return the postage-paid reply envelope today.”

Or, “Send your order before the sale ends. Mail it today.”

You get the idea.

State your offer as precisely and clearly as possible. Then motivate your reader to take a specific action! Tell your reader exactly what steps to take.

“Pick up the phone and call 1-800-FISHING and say you’re calling about the ‘Father’s Day Special.’ We will take it from there.” Create a sense of urgency by offering a special incentive or bonus to get readers to *act now*. For example, “If you call before June 10th we’ll throw in two tickets to a Dodgers home game.”

By the way, if you allow credit card purchases and advertise a toll-free 800 number you could increase your response by as much as 30%. Accepting credit card business usually

increases the size of the order, encourages ordering of more expensive merchandise, and simplifies ordering by phone.

I often use these devices to provoke action:

- I ask them to immediately respond to a specific offer totally at my risk.
- I limit the time and restrict the quantity of the offer, clearly explaining why.
- I explain in detail the loss of sampling opportunities or free bonuses the reader will lose by failing to respond in time.
- I provide a better-than-risk-free guarantee that makes it just short of ludicrous not to take me up on my proposition.
- I tell the reader precisely and in progressive steps exactly how to respond.

For example:

“Pick up the phone. Tell the service representative you’re replying to my free lawn maintenance offer.”

“Give your address and the first day you’ll be available for a no-obligation, free evaluation.”

“Remind the service rep that if you decide to have us maintain your yard for the next twelve months, you can cancel services at any time and owe us nothing.”

“Be sure to order the full 60% off the normal twelve-month service rate with two extra months free.”

Response

- Make it as easy as possible for a prospect to respond to your mailing, including supplying a return envelope for the prospect to use for mailing his order to you.

- When offering a “bill me” option, include both a business reply card and a business reply envelope.
- Provide space on reply cards, coupons, and order forms for the customer’s apartment number in order to expedite delivery.
- If you offer toll-free telephone response service, promote it prominently and frequently in your promotional pieces and on order forms and reply envelopes or cards.
- Try a customized response vehicle to get your customers to respond.
- Acknowledge orders promptly and include additional sales literature with your letter of acknowledgment.

Order Forms/Response Vehicles

- Make your response vehicle sound more important and more beneficial to the prospect by calling it a “Special Opportunity Application,” “Reservation Certificate,” “Reservation Form,” “Free Information Certificate,” etc., instead of just “Order Form.”
- Make your order form/response vehicle promotional as well as functional.
- Use selling copy on your response form (order form/response vehicle).
- Picture the product on your response form.
- Feature gifts, prizes, etc., on your response form.
- Summarize your offer on your response form.
- Summarize benefits on your response form.
- Feature telephone ordering service on your response form.

- Use the back or stub of any bound-in response vehicle to feature last minute additions to your product line.

STEP #5 — THE POSTSCRIPT

As I mentioned before, studies have shown that the postscript (or PS) is one of the most read sections of the letter, second only to the headline. To write a postscript, restate the USP (Unique Selling Proposition), guarantee, or deadline — always giving a reason for acting now.

PS's can't be just a limp addition. They need to have import. Test PS's. Have fun. You can get a lift just from changing the PS. "Find out from the foremost expert in the field!" "The questions we'll ask you are questions you should probably ask yourself." "Whether you do it with us, with someone else, or in house, you'll get a tighter focus on the things you've got to do!"

How Long Should Your Letters Be?

Should your letter be long or short? Make it long enough to tell a complete, informative, and interesting story. People think others won't read long, multi-page letters. That couldn't be further from the truth.

When I first published *Marketing Genius*, my first letter promoting it was twelve pages long with a four-page brochure, a coupon, and a ton of teaser copy on the outside of the envelope. But it was interesting and educational. You'll read any number of pages if a letter captures your interest.

Make your sales letter long enough to tell a complete story and to thoroughly address all the necessary components. Don't shortcut to save space. Edit ruthlessly for waste or boring content, but never jettison fascinating facts, forceful reasons or specific information that add to your compelling story.

In *Scientific Advertising* Claude Hopkins asks, "If you had a salesperson calling on a customer, would you tell that person to stop their presentation after thirty seconds to save time?" Of course not! You want that salesperson to take as much time as necessary to make a compelling case. That same applies to sales letters.

My most successful sales letters have been eight, ten, twelve, even sixteen pages long. But every page was fascinating, every paragraph informative and every section advanced the case. If you have a hobby or profession, how much will you read on that subject? A page? A chapter? A book? The answer is: A lot — provided it's interesting. If your sales letters are interesting, people will gladly read them.

Now let's look at a sample letter — specifically, a two-page direct mail letter designed to generate leads for a new profit center developed by one of my clients. The letter was used for many years to attract investors to a very specialized form of investment, and it pulled a 26% response.

This highly effective sales letter starts with a dramatic and attention-grabbing headline, provides benefits and proof of the statements, has a call to take action, and a PS that recaps the letter. See if you can identify these parts of the letter and what they are intended to do...

**From 1975 to 1980, What Single Investment Appreciated
Approximately 450% Greater than Bonds... 398% Higher than Stocks...
175% Better than Houses... and 74% Greater than Diamonds??!!
(The Answer May Surprise You.)**

Dear Valued Customer:

The Luger World War II Military S/42 handgun is one of a growing number of collector firearms gaining investor attention lately. Investment-grade firearms have produced a strong appreciation record for over three decades. Of course, not all firearms did as well as the Luger. But most top-grade investment guns outperformed nearly every other "traditional" investment during the past five years.

By a very big margin.

Let's be more precise. Let's take a careful look at the Luger WWII Military S/42 — a desirable investment gun, though far from the most coveted. The Luger is a fascinating investment to study. Look at how it has appreciated over the past five years against some other spectacular investments...

Gold, for example, produced a dazzling compound rate of return of 28.4% per year. Yet the Luger S/42 outperformed gold by 12%. It outperformed silver by 17%. And during that same period the Luger's compound annual rate of return "sailed" past U.S. rare coins by 46%.

But that is nothing compared to how well the Luger S/42 outpaced more conservative investments.

You may be aware that oil (Saudi Arabian Light) has compounded at a rate of nearly 18% per year. The Luger S/42 outpaced oil by 80% in the same five-year period. Diamonds showed outstanding compound growth over the past five years – but the Luger outperformed diamonds by 74%. The same gun outperformed the compound rate of return of U.S. farmland on average by 138%, and housing by 175%.

It even outperformed the Consumer Price Index by 258%.

The biggest coup of all is how well the Luger did against bonds (Salomon Brothers Bond Index)... exceeding bonds' compound rate of return by an awesome 450%.

But what about the liquidity of guns? Again, let's use the Luger WWII Military S/42 as a reference example only. Currently, based on the time it would take to sell at close to market value, the Luger S/42 is probably more liquid than real estate and more liquid than diamonds.

Where did we get this comparative data? From two reliable sources. First, Salomon Brothers' study of investments' five-year compound annual rate of return.

Second, the *Blue Book of Gun Values*, considered by many the most definitive gauge of gun values in America today

So you may be impressed with the appreciation potential as well as the liquidity of investment guns – but what if you're afraid of guns?

All the better, really.

A collector gun that has never been fired – or has been minimally fired (referred to by collectors as the amount of original “bluing remaining”) – is worth many times more than the same gun that’s been regularly used. You can quite literally buy the gun, put it in your safe deposit box or lock it away in the attic or basement and its investment potential will probably grow even more than if you fired it.

Finally, there are nearly 300 different types of collectible guns you could invest in – many for as little as \$650 or less.

Would you like to know more about collecting guns? If the answer is “yes,” we’d like to send you two valuable collections of material. The first is a profit-provoking booklet titled, “What Every Gun Owner Should Know About the Gun-Trading Business.” The other is a five-year history of the incredible appreciation growth of 30 well-known collector guns. We’d also like to send you a copy of our latest inventory of collector guns in the \$200 to \$15,000 price range.

As the nation’s largest dealer in hard assets – and one of the oldest – Investment Rarities has become a definitive source for high-grade, high-quality investment guns at competitive prices.

Our knowledgeable weapons specialists not only offer expert advice you can trust – they also answer your most probing questions about grading methods, availability and pricing in the most straightforward manner possible. If you never before realized how guns may be used as a long-term capital appreciating investment form – I encourage you to send for this provocative material.

There is no charge for requesting it. Nor is there any obligation to purchase a gun. Simply return the enclosed card or call us toll-free at 1-800-555-5555. We will send you complete information on gun investing.

Very truly yours,

Bart Williams, Sales Manager

P.S. Remember, guns have been a proven winner for years. Find out if they have a place in your investment portfolio.

Read Your Mail, See What “They” Are Doing

Every business owner and consumer receives a large number of circular letters and promotional sales letters. Most of them go directly into the wastebasket.

The next time you come home and find a stack of so-called junk mail in your mail box, don't pitch it into your round file! Take a few moments to read a letter or two. People don't keep mailing these letters because they don't work. They mail hundreds of millions because they do work. You, too, can tap this potential marketing technique. All you need is a basic understanding.

Analyze those letters you receive. The ones you act on — or even the ones that just caught your eye — most likely have a headline that attracted your interest. At a glance they offered something you wanted or something you wanted to know.

Fancy Stationery Offers No Advantage

Experience generally has shown that a letter costing two cents gets no more attention than a one-cent letter, and that fine stationery gets no more attention than poor-quality stationery. The whole appeal — and thus the relative success — lies in the copy material.

As a matter of fact, it has been shown that fine stationery and pamphlets actually lessen the effect. They indicate an effort to sell on lines other than merit. This tendency has the same effect in sales letters as it does in ads.

On a similar note, always present letters in typewritten type, never typeset. With “typeset quality” printers and a multitude of fonts available with personal computers, the temptation is to use “special effects.” Resist it! Letters should be a personal communication, not a typeset announcement.

Take the time to put some thought into the format you will choose. Each type of mailing piece speaks differently to the recipient. How do you decide?

Consider these points:

- Make your formats as distinctive as possible without distracting attention from the selling message. Make the distinctive elements of the format fit — and enhance the image of your company and/or your merchandise as much as possible.
- Try an unusual format that you've never used before.
- Vary your formats at frequent intervals to avoid monotony and to strengthen your presentation.
- Change the size of your mailing package frequently to increase interest and appeal.
- Use an oversized or undersized letterhead and envelope to create extra attention, interest, and impact.
- Test a tiny letter with a tiny pencil accompanying it.
- Test a jumbo letterhead in your envelope — or mail it in a jumbo envelope.
- Specialized mailing formats frequently are more effective and more economical than standard formats.
- Consider using specialized formats that make ordering extra easy.
- Use specialized promotional letterheads regularly or occasionally.
- Test using illustrated letterheads against using conventional letterheads.
- Dramatize big news by using a big format to present your message.

- Use a big sheet to emphasize big size or big quantities.
- Present outstanding testimonials in a big way for big impact.
- A double-gatefold center spread in a mailing piece makes the display of your merchandise more impressive and simplifies comparing several products of the same type.
- Use a simulated statement with a zero balance to tell the customer you've missed him or her lately.
- Offering a discount in the form of an actual or simulated check increases attention value, interest, and impact.
- Use a simulated check to dramatize savings.
- Simulated calendar pad sheets attract attention... emphasize timeliness and specific dates... and stimulate action.
- Use a bond-style border to add importance and credibility to your guarantee, prize-eligibility certificate, and other similar components.
- Use appropriate gadgets to increase attention, value, and interest.
- Use three-dimensional devices to create action in your mailing piece and intensify impact.
- Include smart-selling stuffers in envelopes, packages, etc.
- Make your mailing package look like a bound proposal.
- A piggyback letter gets extra attention and readership.
- Using the formal invitation format is very effective for many marketers.
- Use a legal-brief format to promote legal-oriented products or services.

- Use a simulated telegram for urgent messages or final clean-up of a campaign.
- Use one or more of the special “Gram” formats for extra attention, readership, and impact — plus low postage cost if mailed at the bulk rate.
- If you can tell your story on a postcard, test this format.
- If a postcard is too small, step up to a self-mailer of whatever size you need.

Use single postcards for:

- Announcements of sales and special prices for a limited period of time.
- Information concerning special features of future issues of a periodical and deadlines for placing advertising in those issues.
- Change-of-address notification or notice that you’re moving — and when.
- Follow-up on sales announced in previous mailings with emphasis on the cutoff date.
- Follow-up on a request for information to a reader.
- Advance notice that a special mailing will arrive shortly and asking the recipient to be on the lookout for it and to take prompt action when it arrives.
- Describing a service and emphasizing a strong guarantee of performance.
- Describing and selling specific merchandise.

Use double postcards to:

- Offer free gifts in return for (a) ordering merchandise, (b) submitting names of a specific number of persons with certain qualifications that make them good prospects or (c) returning the reply portion of the card to request an updated edition of a free book previously received by the addressee.

- Show and sell actual samples of one or more small products or samples of material on the outgoing half of the card, with the other half to be used for ordering the products described on the outgoing half.
- Ask an inquirer whether he received the information requested; was called on by a salesperson; bought the product (if not, is he still interested?); or desires any additional information.
- Request information that can be provided by checking boxes on the reply half.
- Investigate to see if you can use a newsletter format effectively to promote your products or service and/or maintain contact with customers or donors between purchases or personal sales rolls.

Layout and Art

- A well-displayed, well-illustrated product increases the sales effectiveness of the mailing.
- Give special emphasis to each important element of the offer so that none of them are buried or overlooked.
- Use diagonal indentation to emphasize all items in a large group.
- Make liberal use of white space in designing mailing pieces.
- Break up a long story by using numerous background panels of different colors.
- Repetition of colors throughout a mailing piece enhances continuity and stimulates continued readership.
- Use distinctive, subject-oriented hand lettering in your headlines.
- Use hand lettering to spotlight benefits.
- Use simulated handwriting for all or part of your message.

- Use simulated handwriting to attract attention and to emphasize certain statements.
- Test a handwritten letter occasionally, especially if you are soliciting funds.
- Use “blockbuster” quotation marks for attention and emphasis.
- Use an appropriate photograph or drawing to illustrate the copy on your mailing envelope, letter, reply envelope or reply card and other enclosures.
- Make your illustrations dramatic and meaningful.
- Test drawings (line and wash) against photographs for your mailing pieces.
- Test illustrations of the product alone vs. product in a setting with no action involved vs. action illustrations.
- Test atmospheric art against realistic art.
- Use call-outs to spotlight important features.
- Use cutaway views to spotlight important features or emphasize construction.
- Showing the product in actual size (if possible) adds realism and credibility.
- Picture a massive display of your merchandise in your mailing piece(s).
- Comparative illustrations of different products in use simplify selection and encourage trade-up by the prospect.
- Picturing product-testing procedures increases confidence in product quality.
- Use a brick wall to represent your building fund and list on each brick the name of a contributor to the fund.
- Dramatize your message with “before” and “after” photographs.

- Let the product “speak for itself” by using a cartoon-type speech “balloon.”
- Taking money? Use financial symbols for attention value and impact.
- Make your mailing pieces look more professional — at low cost — by using clip art and stock photographs.
- Informal pictures of a well-known person who signs the letter scattered throughout the letter increases interest and readability.
- Use a simulated clip-on memo slip for statement of special importance.
- Liven up your mailing piece with a cartoon-type illustration every now and then.

Envelopes

Your envelope is an advertising vehicle in and of itself. Here are some tactics to think about when choosing and designing the packaging for your mailing.

- Let the reader “peek inside” your mailing envelope through front and/ or back windows.
- Use Full-View window envelopes to display attractive literature enclosed in your mailing envelope.
- Circular windows in mailing envelopes focus attention on the show-through items.
- Using mailing envelopes with the window shaped like the silhouette of your product makes it very distinctive and increases its attention and identification value.
- A mailing envelope with a distinctive product-related imprint can attract extra attention and start selling before the envelope is opened.
- Change the appearance of your mailing envelope every now and then.

- Use a mailing envelope without a return card occasionally.
- Make your mailing envelope look like a personal letter occasionally and adapt the copy style to your letter to fit.
- Thumb-cut, pull-open mailing envelopes have out-pulled conventional envelopes as much as 30%.
- Tests have shown that it costs less to mail in envelopes with glassine windows or panels.
- Make the outside front and back of your mailing envelope major selling elements of your mailing package.
- Use effective teaser copy to make the recipient want to open the mailing envelope for more information.
- Use unusual techniques to get your customer into your envelope.
- Put an unusual message on the outside of your envelope.
- Lead your recipient into the mailing envelope by starting your story on the outside front and/or back of the envelope.
- If your product or service provides a powerful benefit to the user, promote that benefit on the outside of the mailing envelope.
- Present major elements of your sales story on the front and/or back of the mailing envelope.
- Print your entire letter on the front and/or back of the mailing envelope occasionally.
- Use the outside back of your mailing envelope to feature good items added to your line too late to be included in the mailing material inside the envelope.

- When a giveaway or sweepstakes is part of your marketing strategy, print the rules on the outside back of your mailing envelope.
- Use the white space inside your envelope mailing for additional selling copy, information or offers — and call the recipient's attention to this information with prominent notations on the outside front and/or back of the mailing envelope.
- Use reply envelopes to summarize and/or expand upon the selling message, offer, premium, etc., presented in the rest of the mailing package.
- Offer special inducements — not mentioned elsewhere — to purchase the merchandise described in the mailing package.
- Illustrate, describe, and sell merchandise in addition to that offered elsewhere in the mailing package.
- Repeat or emphasize your guarantee.
- Include a built-in order form or response vehicle.
- Provide space for the recipient to list the names of other persons who might be interested in the merchandise offered in this mailing or in receiving other mailings by this marketer.
- Provide or repeat specific instructions to be followed in placing the order, making a contribution, paying the enclosed bill, correcting an error in the recipient's name and address, etc.
- Remind the customer to enclose the order form, check and/or other essential items before sealing the envelope.
- Remind the customer to affix postage (if postage is required); otherwise the post office will not deliver the envelope.
- Emphasize your prompt shipping service.

- Encourage ordering by phone, especially if you provide toll-free service.
- Remind the donor that his contribution is tax-deductible (if true).
- State that no receipt for the contribution will be mailed, unless the donor requires one, by placing a checkmark or other notation on the envelope (if true).
- Thank the customer or donor for his order or contribution.
- Perform other functions you desire.
- If you include both a “Yes” reply envelope and a “No” reply envelope in your mailing package, insert a letter in the “No” envelope containing wording similar to a “Publisher’s Letter” or describing one or more alternate offers.
- A reply envelope plus a loose stamp may be more effective than a business reply envelope.
- Bangtail reply envelopes can be used for many purposes, including selling... testing... securing inquiries... surveying customers and/or prospects... featuring premiums, free gifts or bonus offers... making bank deposits or withdrawals... billing cycle mailing... making installments payments on charge accounts or mortgages.

Get Immediate Action

The primary objective of your letter is to get immediate action.

People are naturally dilatory. They postpone, delay, and put off action. And a postponed action is too often forgotten.

Do something, if possible, to get immediate action. Offer some inducement, or tell what a delay may cost. Note how many successful selling letters place a limit on an offer — it expires on a certain date. That’s done with the express purpose to get a prompt decision, to overcome that tendency to delay.

For example, a mail-order advertiser offers a catalog. An inquirer might send for three or four similar catalogs from different companies. The advertiser now has that competition in making his sale. So he writes a letter to send with his catalog, and encloses a personal card. He says, "You are a new customer, and we want to make you welcome. So when you send your order please enclose this card. The company wants to see that you get a gift with your order — something you can keep."

With an old customer, he gives another reason for offering the gift. The offer arouses his old customer's curiosity. It gave preference to this particular catalog. Without some compelling reason for ordering elsewhere, the customer will send the order to him. And the gift pays for itself several times over by bringing larger sales per catalog.

The ways for getting the customer to take action are many, and the principles are universal. Strike while the iron is hot! Get a decision, then have it followed by prompt action.

You can afford to pay for prompt action rather than lose the sale by delay. One advertiser induced hundreds of thousands of women to buy six packages of his product and send him the trademarks in order to secure a premium offer good only for one week. A very effective technique, wouldn't you say?

Write a powerful, one-paragraph statement of affirmation, repeating the offer and the appeal as if the reader were stating it aloud:

"YES!! I agree!! Your proposition is irresistible and your product appears superior. Also, your bonuses are so darned attractive it's hard to refuse. But your 100% money-back guarantee, keep-all-the-bonuses, better-than-risk-free proposition is the real reason I am replying."

"I will take you up on the exact guarantee and the product, but only for the next 60 days. If it doesn't perform or if I don't benefit just as you promised, I will send it back and expect a full and immediate refund. And I'll get to keep all those desirable bonuses for my trouble. On that basis only, here is my order."

If you are seeking leads or inquiries, say something like:

"Your case is indeed compelling. I don't know if your product is for me, but I want to learn more. So send me the kit or have a representative call and answer my questions. Better yet,

do both. But only on the condition that I am under absolutely no obligation and no risk whatsoever.”

Go from there to name, address, city, state, zip and phone. Always get phone numbers for follow-up. It’ll make you a lot of money. If the reply is cash-with-order or a charge card order, get all the vital information.

While you’re calling for action, it’s always nice to get your money up front. Even though your customers love your products, that’s not enough to keep you in love with direct mail as a selling medium. In today’s world, it pays to get payment with order whenever possible.

Here are “Ten Techniques To Get Your Money Up Front,” by Luther Brock, Ph.D., from *Direct Marketing Magazine*:

1. Give a gift for paying with the order. Just make sure the gift is desirable enough to make folks rush for their checkbooks. Important: Cost out the premium as compared with the benefits of getting your money fast. In most cases, you’ll discover you can offer a very enticing gift and still come out way ahead.
2. Offer credit cards. You may not get all your money this way due to the charge you have to pay to the credit card companies. But it may be better to get “almost all” than worry about collections. And you’ll get more orders — if people know they can charge it, they’re more apt to buy.
3. Use “even” prices and encourage the customer to send cash. Strategy: “Just stick a \$20 bill in the enclosed Safety Protection Envelope, then tuck it in the postage-free reply envelope and mail today.” Risk: Cash can be lost or stolen, so this ploy is daring. Advantages: Ease of ordering — no check to write out, no money order to buy, great for impulse buying. Especially good for selling to older people. Use of “even” prices may be less deceptive — “odd” prices don’t fool people the way they used to.
4. Tie paying up-front to your guarantee. Strategy: “We’ll hold your check for 31 days. If you’re not completely satisfied, write to us and we’ll send your actual uncashed check back to you.”

5. Offer to pay shipping when the customer pays up-front. Especially effective when product is bulky and shipping is significant. Also, works better with consumers than in business markets.
6. Sending C.O.D. Although there are collection and receipt problems, this can still be effective when selling to the lower end of the market. Shouldn't be completely overlooked.
7. Push an 800 toll-free number. By accepting all credit cards and stressing free phone-in ordering, you get many more cash orders. Warning: You'd better have expert order-takers or this system will fall on its face.
8. Ask for up-front payment on the initial order when selling to businesses. This will give you time to check the buyer's credit history before establishing a line of credit. But let the business know that you will extend credit in the future as long as they pay the first order with cash up-front. Most businesses appreciate this practice and will go along with it.
9. Emphasize that cash up-front keeps the cost to the customer low. Strategy: "As a businessperson you know that collections can pose quite a problem to any firm. In fact a recent study showed we can actually price our products \$X cheaper by getting rid of collection problems."
10. Link cash-with-order to a limited time special offer. Strategy: "Because the price is so low, we're asking for your check with your order. Please hurry. If we run out when we receive your check, we'll return the check immediately, of course."

Action Stimulators

- Use action stimulators to get recipients to open your envelope.
- Use ordering stimulators from start to finish of your mailing package.
- Stimulate action by featuring (in large type or with a simulated rubber stamp imprint) your cutoff date or time limit on one or more of the following components:

- On the mailing envelope: front, back or both.
- At the top of your letter.
- On the order form or response vehicle.
- On the reply envelope.
- On a separate leaflet or other enclosure included in the mailing package for this specific purpose.
- A double coupon may double or triple sales volume.
- Multiple coupons multiply direct mail response.
- Offer several coupons with different effective dates to stimulate repeat purchases.
- Use multiple early bird discount stickers — with reductions in the size of the discounts as the season approaches — to bring in seasonal business ahead of time.
- Offer prizes of diminishing value to stimulate prompt action.
- Offer gifts or other worthwhile incentives to encourage prospects to order early.
- Offer discounts of various amounts to encourage customers to increase the size of their order(s).
- Give special discounts, prizes, or gifts to get prospects to make the first purchase.
- One business supply firm offers new customers a 10% discount on their next purchase in order to encourage them to become regular customers.
- Another marketer offers discounts that can be used on the current order or deferred for use on a later order.

- Offer special discounts, perks, or gifts to former customers to encourage them to become active again.
- If one premium increases sales, test the effectiveness of offering more than one.
- Stimulate faster action and bigger orders by offering multiple premiums with values based on the size of the purchase or the date on which the order is placed.
- Use multiple premiums to achieve multiple objectives.
- Multiple premiums multiply buying incentives.
- Multiple premiums make your mailing of interest to a wider variety of prospects.
- A logical tie-in of a premium with your business makes the premium more effective.
- Make your premiums unusual but related to your offer and your business.
- The more timely your premium is, the more effective it will be.
- To develop repeat orders, use one of your products as a premium.
- Name brand premiums usually have more appeal than unknown brands or unbranded items.
- A free small gold coin makes an interesting — and inexpensive — premium.
- Use replicas of historic or nostalgic items as action stimulators.
- Many marketers have found sweepstakes to be an extremely successful promotional device for stimulating response.
- Give purchasers a timely reason for paying promptly.
- Offer a free sample in teaser copy

- Open your letter by offering a free gift for just trying your product.
- Mystery copy and mystery gifts can strongly stimulate action.
- Use a “Publisher’s Letter” to give prospects an extra reason for buying.
- Use a toll-free line to get more orders.
- Use the telephone aggressively — both outgoing and incoming — to stimulate business, customer activity, and the productivity of sales personnel.

Other Techniques To Close More Sales

There are certain universal marketing stimuli you can incorporate into any marketing concept you create:

- The Ethical Bribe
- The Risk Transference or Risk Reversal Approach
- The Maybe-Maybe Not Approach
- The Acknowledgment of Special Importance
- The Better-Than-Risk-Free Guarantee

THE ETHICAL BRIBE is my phrase for describing an offer that is so shamelessly appealing on a dollar-value basis that it's really impossible to pass up. It's amazing that more people don't incorporate the ethical bribe into their marketing activities, given its high probability for success. Ironically, most people fail to do so because they fear it will cut their profit — a selfish assumption that's quite wrong.

The ethical bribe offers a known dollar value product, service, or a package of the two for a dramatically lower price, along with a believable explanation of why you are making this value available.

When I did this with newsletter subscriptions, I explained to the readers why I was bribing them. The money in newsletters is all on renewal and I wanted to make it so appealing to subscribers that I induced them to subscribe, knowing that I was spending the bulk of my profit now and probably wouldn't make any money until they renewed next year.

(In actuality, by acquiring reprint rights and buying subscriptions in bulk, the entire bonus package cost \$20 and the newsletter cost me \$6. I had a total cost of \$26 in a package I was offering for \$95, but valued at \$695.)

You can adapt the ethical bribe to anything you do — just don't be too chintzy on the aggregated value you give your customer. Make the value real and make the reason you're offering them such an obvious deal perfectly clear.

RISK TRANSFERENCE or RISK REVERSAL. Whenever two parties come together, one is always being asked, whether it be implicitly or explicitly, to bear more of the risk in the purchasing transaction.

To the extent you can assume almost or, even more than, all the risk in the transaction — when you can make the proposition so risk-free that the other side has more to gain by trying than not trying your product or service — you're going to make it easy for people to get started dealing with you. You're going to lower the barrier of entry.

Risk reversal is the process of transferring the onus of the risk of purchase from the customer to the seller. I'll go into greater detail later about the many forms of risk reversal (and there are as many different variations as there are products and service) but they all accomplish the same purpose — to reassure your customer that the quality you offer, the guarantee you extend, the service that you perform is as good as — if not better than — promised.

THE MAYBE-MAYBE NOT APPROACH is a technique that shows that it's impossible for any product to be all things to all people. It also works well in winning over skeptics.

Ask your prospect the same question they are most probably asking themselves about your proposition: "Will it really work for me?"

By telling them, “Maybe. Maybe not,” you show them that you are not some overzealous, hyperbole-spewing flimflammer — but rather, a levelheaded, rational person who is real and imperfect.

In one of my consulting promotions. I ask,

“Can Jay really double your business in 18 months?”

“Can he increase your cash flow in as little as three weeks?”

“Maybe. Maybe not. But one thing’s for sure: It won’t cost you a thing to find out.”

You can use this approach in many ways.

Along the same lines is a technique I call “I’m-not-perfect.”

(I’ll talk about this more later when I reveal Joe Karbo’s technique of always admitting to an imperfection.)

Don’t try to be perfect. Rather, while proclaiming the benefits and advantages of your product or service, also reveal the slight disadvantages as well.

Whenever you list a series of benefits or advantages, try to add one admission of imperfection. It’ll make you, your product, and your company more human in your prospect’s eyes.

ACKNOWLEDGING SOMEONE’S SPECIALNESS is a very effective marketing technique. Every person wants to feel they are important to you and that their needs and problems are important, too!

Craft your marketing to make your customers feel that you are talking just to them. Take the time to put yourself in your customer’s position. Take the time to clearly express your understanding of their problems, hopes, and fears. Win the prospect over by positioning yourself as their ally or operative instead of their adversary. Sit on the same side of the table with them, and you win their trust.

THE BETTER-THAN-RISK-FREE-GUARANTEE is a concept I use constantly. It's actually an extension of the ethical bribe.

Allow the customer to keep the most valuable bonus or bonuses even if they ask for their money back. Even if the customer asks for a refund, they come out hundreds or thousands of dollars ahead just for having tried your proposition.

By adding a better-than-risk-free guarantee to a standard offer, you can increase the response or profit of that offer. Granted, you will have to pay off more on this basis, but the two to three times increase in front-end response overwhelmingly makes up for the modest increase in refund expense.

Again, by offering the better-than-risk-free guarantee and allowing the customer to keep a valuable product or service even if they ask for a refund, you convey your confidence in your product's ability to perform to their satisfaction.

It's obvious that if you had to pay off often, you'd lose your shirt. The better-than-risk-free guarantee implies that your offer lives up to its promise. By offering to reward the customers for their effort or trouble, the better-than-risk-free guarantee acknowledges their value to you.

That Personal Touch

It's worth saying again: The most powerful form of selling outside of personal contact is the sales letter, and the “rules” are the same as in personal contact. After all, direct advertising by mail is me-to-you. With a letter, you are not one ad in a newspaper packed with ads, but something exclusive. Your reader holds your message alone in his hand. To lose this personal touch by not having a letter is a grievous mistake.

Your letter should flow in friendly me-to-you tones. “I” and “You,” not “We” and “They.”

You keep the reader's attention by concentrating on the “point-of-you.” It's not, “We have a dishwasher to sell you... ” but “You will save time, power, and have more time with your guests with your new dishwasher... ” Point-of-you... always in terms of what's in it for the reader.

Big marketing mistake... forgetting to focus on your intended customer and no one else! People get debilitated about mass mailing. Don't. Keep in mind that your message is read or heard by one person at a time. Have a clear, intelligent dialogue with that one person.

Don't worry about offending the prospects who are never going to buy from you anyway. It's like the attorney, who's offering the Living Trust that cuts the probate lawyers out, worrying about offending the probate lawyers!

Focus on the person whose life you're going to benefit or enrich. Don't over-complicate.
It's a nouveau marketer's mistake, and very deadly to the pocketbook!

Remember this point in all advertising. *Meeting the needs of the target audience will make your sales letters more likely to be read and acted upon.*

Make your letter the warm, friendly salesperson who explains what is in the accompanying brochure. They may not read the brochure. They'll at least scan your letter. Make it work hard.

Direct mail marketing wizard, Don Hauptman, advises:

“ ‘Real people’ have appeal, and human interest can be a powerful selling tool.” In *The Wall Street Journal*, for example, a story from 1940 about two different men and how they grew up has pulled \$2 billion in subscriptions. Nothing has ever outpulled it!

Copywriting — To Outsource, Or Not To Outsource... That Is The Question

Maybe for whatever reason, you're still reluctant to take on the job of writing your own copy. Let's talk for a minute about hiring outside copywriters.

Copywriters write ads, sales letters, selling scripts, catalogs, brochures — everything that's a selling written or oral communication. How, where, why, and what's the best way to hire them are the questions I'm asked most often when we get into this area. Let me try to answer all of them simply, clearly, powerfully, and profitably for you.

First of all, the concept of copywriting is a very interesting dilemma. There are a lot of people who think copywriting is an art. I believe it's more of a science. However, if you have the artistry of understanding how to fluidly empathize and relate to the marketplaces that you're going after, you have an absolute advantage.

Professional copywriters often have a superior advantage over people trying to "get out of their own way."

Professional copywriters work on a number of different arrangements. You can make them captive internally — put them on your payroll — or make them single contractors for you. You can hire them on a project-by-project basis, fee basis, fee-plus-variable basis, purely variable basis, or anything in between.

Great copywriters are very expensive and very, very rare. The newsletter business is one of the hardest fields to write for, because you've got to capture such an intense, focused sense of value and desire so quickly. The top paid newsletter copywriters earn \$1–\$2 million, mostly on performance.

However in most fields, the average copywriters are paid \$4,000 to \$5,000 for what's called a "package" or an ad, plus perhaps a bonus. In between is the gamut in smaller endeavors. You can get copywriters for \$500 to \$1,000. In harder fields it's going to cost you more.

What is an expert copywriter going to do, and where are you going to find him? Well, there's a lot of different ways. First of all, I recommend that you start by only engaging men or women who have a successful, documented history of writing direct response copy. That means somebody who has already proven that he or she can create a letter or an ad based upon known, proven, scientific direct response selling principles. They have done it for a number of other people, and it has worked — and you can verify that.

You don't just verify it by reading the copy they show you. You do that by calling, interviewing, or visiting their client or past client, and ascertaining for yourself exactly how it worked. How the client worked with the copywriter... how the copywriter's work performed... how long it took them to do it... whether they hit their deadlines... whether they had to do a lot of rewriting... you want to know everything before you start.

Where do you find these copywriters? There are lots of places. If you are involved in any of the direct marketing-based activities, there are two or three trade magazines. One's called *DM News*, a trade publication that comes out every month from New York. One is called *Who's Mailing What* and another is called *Target Marketing*.

There are a number of different publications for the trade, almost all of which have either a directory or advertising for known, ethical, respected, quality direct response copywriters. You'll either find them there, or you can get referrals from those publications.

There are a number of mailing list brokers and managers that are advertised in the *Standard Rate and Data Service* directory. They know many — not all, but many of the good to great direct response copywriters. They can put you in touch with them.

There's a reference book that used to be printed by North American Publishing which listed the top 200 copywriters in the country, their fees, their skill sets, etc. I don't know if it's still published, but you can try that. There are in almost every major market in the United States, a Yellow Page directory, and if you have the CD-ROM that has the country as a whole you should be able to find a category of direct response copywriting and be able to access, target, and identify a lot of them.

Also, if I were you, any time I ever got an extraordinarily compelling sales letter, ad, magazine subscription letter, offer for a causal organization — I would keep a copy, contact the organization that sent it, offer to buy a subscription or make a donation, and ask them to put you in touch with the writer.

Assuring them that in no way, shape or form are you competitive with them, I would then contact that writer and tell him or her that you respect them. You really were impressed with what they do, and you don't know if they've ever considered what your given form of endeavor is, but you'd like to explore it.

If you see anything written that is selling, persuasion or influence-based communication within your industry or in any other industry that is comparable, similar or related that really is powerful — not just impressive in its pizzazz look and finish, but powerful in its message... that moves you past being impressed with the "advertising," but it moves you right to the result — keep it. You should contact the company that issued it and get them to tell you who did it.

I'd also call everybody in your marketplace if you're in a big city, and if you're not, go to a big city and call everyone you can find who is in an ethical business that has similar requirements to whatever your business is.

In other words, if you're in a business and you run advertisement or sales letters, what are they designed to do? To invite people to call in, come in, send back a card, attend a seminar... Whatever the function of your current or intended advertisement is, find other businesses in other industries or parts of the country that aren't competitive that do what you're trying to accomplish generically... that have constant need for mailing leads, seminar attendees, walk-ins, or whatever — and use whatever you're trying to use, direct mail or advertising.

Call them. Ask them who's the best at creating the pieces, the packages, concepts, final copy, and the turnkey management of it. Ask them to recommend people they've used, or that they'd like to use and haven't or can't, because maybe they are too expensive or are competitively tied up to one of the other people in that industry.

Get their name, phone numbers — get everything you can, but ask a ton of questions. What do they charge? How fast are they? What are their advantages and disadvantages? How long have you worked with them? What do you know about them? Do they work? Do they hit their timelines, etc.?

Interview like mad, and when you interview, don't be in a hurry. Why? Because this is one of the greatest opportunities for knowledge transference and discovery you'll ever have. Because you are interviewing somebody who has profound knowledge — or at least competent knowledge.

You want to know what they know that you don't... what driving forces they focus on most in their execution of their work... what they feel are essential components in the construction of an ad or a letter.

And if you interview 50 or 100 people before you make a decision, you'll get such an incredible education in construction, science, process — it'll blow your mind.

Once you've interviewed them, you've got to select the appropriate writer. How? There are five different criteria.

One, can they write in the image that you think is appropriate?

Two, are they able to advocate their concept, perspective, and positioning? (Maybe there's a better position than the one you have.)

Three, can they really grasp not only the dynamics but the feel? Do they catch the vision? Can they really get on the jet stream and ride the crest of your feel, and speak and communicate it and connect with your intended target audience?

Four, can they write powerfully, but not heavy-handed? You want it to be compelling, but not to be *seen* as advertising or sales letters.

Five, can they operate in compatible terms with your dynamics — timeline, budgetary, personnel? If they can, that's great. If they can't, getting them at any amount is going to be a waste. How do you know if they can work with your people? You call and interview the people they've worked with in the past. How do you know if they've hit their timelines? You ask people, and you put penalties on your own deal.

Speaking of the deal, what kind of compensation do I recommend? Well, anybody who knows me knows that I come from a field of performance-based expertise. I love being paid for performance, but I've learned that performance is a double-edged sword. If I do my part and you don't do yours as a client, I could be very severely jeopardized for my time, effort, and opportunity cost. If you do your part and I don't do mine, you're the loser.

Most copywriters prefer getting a big, juicy fee. They also prefer getting as much of it up front as is humanly possible. In order to get that big fee, they bedazzle you with their conceptual flair, their master idea, and they'll say they've got all these ideas and visions they can't wait to unleash as soon as you give them the assignment and the first part of the payment.

What really happens? (And this comes from someone who also writes pretty darned powerful copy. I've been paid as much as \$1 million to write a piece of copy on a performance basis.) Copywriters never hit their exact timeline promises. You don't always want them to, because you want them to be more connected, and sometimes regimenting yourself to a critical timeline is not really the best answer.

But you do want to incentivize them to ensure or assure that you get the greatest outcome, and that they are bonded and passionately connected. Do the following: Try to structure a two-part deal with them.

Part one is some good faith cash payment, depending on the deal and the size and market. Some amount of money initially, and it's a non-refundable, good faith payment. But the bulk — or at least half of the intended fee that the copywriter is going to get should be in the terms or form of performance or variable-based compensation.

Now, you've got a lot of latitude and flexibility here. You can pay them so much per piece mail, gross dollar back, new inquiry or customer, profit, or if they hit a minimum goal — or any and every ethical, fair and equitable performance compensation formula you can come up with as long as it doesn't take advantage of them or overly reward them. You want it to be fair, to challenge and stretch them.

If they perform as you want them to, and their work comes out massively well, you absolutely want to assure them that they get paid everything they expect. You don't want to dally or argue — because somebody who can imbue a piece of paper with words, vision, and spirit that can jump off the page, grab people by their imagination, hopes and dreams, and inspire them to come in, call in, send in, buy, or become clients of yours is somebody you want to nourish, nurture, and take great honor and respect of and for — because that person is one of the greatest, most valuable pieces of human capital resource you could ever have.

It's very, very important that you understand how you have to work with a competent, gifted or talented copywriter. First of all, you have to share a vision, but if you're too heavy-handed and not willing to open up and embrace their perspective, you'll both lose.

Copywriting is part science and part art or individualized expression. You have to allow a copywriter to invest a bit of themselves in your goal or assignment, or they won't really be bonded. You do that by sharing, listening, giving, taking, and constructively and respectfully offering perspectives, ideas, suggestions, comments, critiques — the things that'll absolutely not thwart or daunt their spirit.

The way I normally work with a copywriter is as follows: After I've gone through the interview process I share my vision and the opportunities. Then I try to have them envision the prospect, customer or targeted audience, and I dimensionalize it very graphically.

Then I try to dimensionalize why I believe my company (if they're doing it for me) or client company (if they're doing it for somebody I'm working with) can bring greater value, result, benefit, or positive factors to the intended recipient's situation — like business — by

having their product or service working for them so that the copywriter feels almost a cause-based connection. They're on a crusade.

Then I provide them with massive, comprehensive listings of every dimensionalized benefit, result, advantage, enhancement, protection, well-being, distinguishing, performing factor that my product or service, when in use by the intended customer or prospect will convey to them. I also give them a list of the features.

I show them everything we've ever done that is successful. I give them a list of all the demonstrable factors they can choose from — demonstration, construction, engineering, product content, and testimonials.

I put them in touch with very happy and successful users. I get them copies of all white mail, which are letters of positive commentary from any satisfied customer or client, and of all press that was laudatory. I tell them how distinctive my company or client is.

I give them people I feel they'd benefit from talking to who will give them constructive or performance-based insight, like the sales manager, the production manager, the marketing manager.

I give them a list of questions I would like them to give me answers to. How am I going to approach this? What's the biggest selling advantage? I tell them what I think our USP is, and what I think the biggest positioning is. I articulate for them the risk reversal, or the guarantee that we are glad to offer, but I offer them the chance to come back with a different, better, simpler, more compellingly verbalized offer.

I give them license to come up with bonuses or other inducements, and I challenge them to out-conceive even my lofty imagination — but I also try to keep them grounded to reality by ensuring they understand that we want the piece to speak to and engage the prospect as in a fluent, two-way conversation.

Once I get them excited I regularly allocate plenty of time to contact the copywriter and assure myself that he or she is making progress, and that they know we're banking on them, rooting for them; I'm there for them and I'm thinking about them. I don't want them to be left in a vacuum. I call once a week.

I'm not harassing, but I ask for an update. I ask where they are, and if they're not where I think they should be I ask where they are struggling, and I try to brainstorm with them. If I can't accomplish it, I find other people to put them in touch with to do the same.

When they get close, I try to push them nuturously and lovingly to the extra effort, the extra mile of extended commitment that I think will make a big difference in the outcome. When they're done with their first draft and they submit it to me or my client, I do not dally. I read it that night, and I read it three times.

First, just for a feel. Second, for more critical observation. Third, for constructive critique with red and yellow pens in hand. I cut out things I don't think work. I comment on things I think are light, or if something's out of place.

Then when I'm ready, I call them up and send them my copy, and we go through it line by line, concept by concept, component by component, trying to help them see what I see.

When our critique is absolutely done, I ask them to try again, and I tell them that I know this was a great first endeavor, but I think they can do so much more — meaning the impact that they'll have will be so much higher, so many more people will respond, and that the result and compensation they'll make will be so much better if I can help connect them to a better expression, a clearer, more powerful performance.

And in doing that, I honor them by saying between the lines, "You're better than that. You can impact so much higher and so much better, but this is a great first endeavor." And I challenge them to keep coming back higher and higher.

When it is almost done, I ask them, "This is great, but is there anything else you might want to review and add? Do you want to play with it? Are you absolutely happy with the headline, or could it be a little stronger, better, clearer? Do you like the opening? Is it the best opening you can come up with? How about the proposition?

Is it the most powerful, compelling and embraceable one, or do you have a better one? Have we made the best case and demonstrated it in the best possible way? Is there a better way to illustrate? Is the guarantee not just the best, but the biggest and the most believable, actionable, and resonating? Are the bonuses the ones that will stimulate the most?"

If so, then we get them to final copy it. It's right now in the final birthing channel that we want to make sure we give it its all, because this has got to service masterfully when we take it out to the marketplace. One salesperson doing badly is tolerable. A mediocre mailing or ad campaign that is supposed to do the job of 10 or 20 or 100 is suicide. Conversely, 10 or 20 or 100 salespeople working at concert pitch and peak performance is how you get massively and enduringly successful and rich.

So we want our copywriters really well connected, and very well compensated. If they do great, we want them to know it. If they exceed our expectations, even if it doesn't work but we know it's an incredible attempt, if they don't make a lot on the variable I will try to make it up to them and honor them by doing something — a little check, some kind of a compensation — something to make them know I thought they did a Herculean job; I want to make sure they're ready to come back up to the plate and swing for the fences next inning.

The one big mistake I think a lot of people make, particularly if they find a great, talented copywriter — not necessarily the most expensive, but a good one, and they recruit them but that copywriter's never done the exact kind of project, job or generic subject that they're involved in — if the copy doesn't work perfectly the first time, most people reject and jettison that copywriter and never want to deal with him or her again.

I look at it the opposite way. If the copywriter did a noble job and invested so much in you and their connection, but it just didn't quite execute, than it's foolish not to give them a second try at the bat if they did really great. You want copywriters you can have an ongoing relationship with. Why? Because they are passionate, connected, and your business becomes a progeny.

It's like a father or mother nurturing their child lovingly, hopefully, adoringly. They care more about it and you than they will some other faceless client who just wants to give them filthy lucre. So you want to make sure you really stimulate and develop that relationship, and then you make the most of it.

Making the most of it comes from honoring what a copywriter is. Copywriters, if they're really good, are creative scientists. They have a formula, but they also are creative and they interpret and process it differently than you would. Not differently than I, because I'm pretty creative too, but differently than you, probably. But that's not bad as long as you don't take it personally.

They're very rarely going to be exactly on a time deadline, or execute exactly the way you want, or be able to operate turnkey in a vacuum without your contribution. You don't hire an architect, walk away and let them do whatever they want and then get mad at them at the end if the house is totally different, stylistically or structurally, than you wanted, would you? Well, same goes here.

If you do it right, compensate, you nurture, educate, and help by understanding all the elements they need to do a great job... and when they do a great job, you pay them, but you also pay them in intangible form — letters from you saying "You did great," calls from the staff saying, "Wow, these are the greatest respondents I've ever seen!"... a sample of the product sent to them in thoughtful appreciation.

Maybe a little honorarium, a little trophy — something that makes them feel so good they can't wait to do more for you the next time. You're going to be very well served by every copywriter you retain.

Now, let's move on.

Newsletter

"When I was 16, my father died of a heart attack..."

Recently, a client of mine acquired a newsletter called *Cardiac Alert* and assigned me to write a direct mail subscription promotion package.

During our discussions, he mentioned his intense personal interest in the subject stemming from a family history of heart disease. Sensing an idea, I probed further for the details.

When the package appeared, it contained a "publisher's letter" — a brief note in addition to the main sales letter. The outside of the folded note contained, in simulated handwriting, the eleven words above.

Inside, the copy I wrote ran as follows:

Dear Reader:

When I was 16, my father died of a single massive heart attack. He was only 46 years old.

The shock of this tragedy had an enormous impact on my life. As I grew older, I found myself increasingly concerned about heart disease. I vowed that I would not follow in my father's footsteps.

Heredity was, of course, beyond my control. But environmental factors were not. I knew there were actions I could take to minimize the chances of falling victim to America's #1 killer.

I began by reading whatever I could find on heart attacks. When *Cardiac Alert* first appeared, I became a Charter Subscriber. (I still have the first issue.) I was impressed by the newsletter and by its excellent research and writing.

Then came an unusual twist of fate. As President of Phillips Publishing, Inc., I was suddenly presented with the opportunity to become the publisher of *Cardiac Alert*. And I did.

I consider it a privilege to be able to help others protect themselves against this savage disease that killed my father.

I hope you'll read the enclosed letter and decide – as I did years ago – to become a subscriber.

Cordially,

Thomas L. Phillips, Publisher

Analyzing the Copy

What is it that makes this short note so powerful?

First, it's dramatic. It tells a story. The reader's curiosity is aroused and he is "drawn in." Like any good story, it has a beginning, a middle, and an end. Next, it's incredible. It sounds like the truth — because it is the truth. This is important. Today, many people are skeptical of advertising. Puffery and exaggeration claims turn them off instantly. Sincerity is welcomed — if only because of its comparative rarity.

The reader can identify with the situation presented. All of us are conscious of our mortality. We've experienced the serious illness or death of someone we know and we've thought about the possibility of such a catastrophe striking us. As a result of its strong emotional component, the reader is affected more profoundly than if the copy relied exclusively on abstract intellectual argument.

In sum, the copy has human interest. "Real people" are involved in events that matter to the reader. Nothing is more interesting to people than people.

Finally, it's worth noting that the reader isn't being subjected here to a blatant sales pitch. Instead, he is informed, engrossed, intrigued, educated, seduced. The point is made, not by lecturing, but through the more palatable devices of storytelling and dramatization.

An Overlooked Technique

Used properly, human interest can be an extraordinarily effective advertising tool.

Novelists, playwrights — all storytellers know its appeal. So do journalists and publicists. Magazines and newspapers long ago discovered the impact of photos of people, particularly close-ups and action shots, with descriptive captions. Fundraisers have learned that the picture and story of a single woebegone child is worth more in contributions than reams of statistics on poverty and starvation.

Why, then, is the human interest technique used so infrequently in direct response advertising?

One answer may be that it isn't easy to pull off. Good "people" stories are tough to find. Occasionally, a superb anecdote might come your way by chance. But far more often you've got to dig for them. And that requires time and hard work.

Human Interest Direct Response Copy

Here are a few illustrations of human interest in direct response copy.

For *Decker Communications Report*, a publication that helps executives improve their speaking skills, I found a relevant incident in the background of editor/publisher Bert Decker:

"Ten years ago, my film company bid on a major project for the National Park Service. It was a \$400,000 contract. The written proposal was regarded as excellent by everyone who read it. I went to Washington to sell the concept to a five-man board — and lost! Why? A friend on the board told me afterward, "Bert, you seemed nervous. You didn't look confident. They just couldn't believe you could handle the project." That was when I decided to do something about my presentation abilities."

For a tax advisory service, I decided to exploit a terrific subscriber anecdote, heading it "A True Story:"

"One day last November, the president of a firm based in Washington, D.C. picked up his copy of *Tax Angles* and read this item: (Citation of a federal tax exemption). The executive, unaware of this point, had been paying Social Security taxes on his employees' sick pay for many years. Justifiably annoyed, he confronted his outside accountant: 'Why didn't you tell me about this? Why did I have to read about it in *Tax Angles*?'"

For a company that sells cigars by mail:

"Shortly after Fidel Castro seized power, the United States declared an embargo on Cuban products. But a Cuban grower managed to smuggle out of his country twelve pounds of the finest Pinar del Rio tobacco seed — hidden in the diplomatic pouch of a sympathetic ambassador stationed in Havana."

And for *Office Technology Management*, a newsletter, I had the publisher relate his own experience:

“A year-and-a-half ago, we decided to automate our offices with word processors to compose and edit our publications. We installed the latest equipment, the most advanced technology. But we made one serious mistake. We didn’t know how to exploit the full capabilities of our expensive and sophisticated new machinery. As a result many thousands of dollars were being wasted. In talking with others, I discovered that the mistake we made is far from unique...”

Study these examples. Do any of them suggest a “human interest” approach that you might be able to take in your advertising?

Use Connecting Words...

So you can see... *But first...* As a result... *Up to now...* What’s more... *Frankly...* How can I offer this?... *On the other hand...* I’ll explain in a moment... *But let me...* I think you will agree... *As I’ve mentioned...* Naturally, you’ll want to... *To reserve your place...* Perhaps you are wondering... *But a word of caution...* Remember... *When you’ve decided which...*

Note: Not “If...” but “When.” Assume your reader is going to order.

Open your letter differently from “run of the mill” letters that drone on conversationally. You know them... “With reference to...” “Further to our information release of...” “We wish to announce...” “We are pleased...”

Rather, use one of these interest-creating openings:

Make your offer. “I am going to offer you the use of the XYZ Widget for two weeks... free and without obligation.”

Ask a question. “What would you do if the power failed right now?”

Tell a story or parable. “When Shakespeare’s King Lear called ‘My kingdom for a horse!’ he showed he was prepared to give up everything to save his loved one.”

Avoid the painfully obvious generalities. “Going on vacation is a pleasure to which everyone looks forward.”

Tell news. “Breakthroughs for arthritis sufferers!”

Issue an invitation. “Would you join me...?”

Give a command. “Look closely at the photo below.”

Bring the reader into the fold. “As a member of...”

Ask if the reader qualifies. “Are you a savvy investor?”

Ask for help. “I have a problem, and I believe you can help.”

The possibilities for a different opening to your letter are endless. And it will put you way in front of run-of-the-mill correspondence that competes with you for the reader’s attention.

In the last decade or so, a set of “rules” has been established in the direct mail industry that provide guidelines on how to write a good letter, how to call the buyer to action and so on. Marketing courses, books, and seminars have made these rules widespread. As a result, many direct mailings have become similar in content and appearance.

I advise against doing anything wildly different to set your mailing apart at first. These rules have become widely used because they work. Testing has proven what techniques work and which don’t. So I advise you to stick with the “tried and true” format.

Having said that, there is still room for doing things innovatively to make your direct mailing stand out. Just keep your creativity balanced and within the realms of good taste. It’s OK to experiment, but do so cautiously. Carefully consider any changes.

Direct mail has become pretty elaborate lately. These days we see four-color extravaganzas, catalogues, thick brochures, and even tapes. That’s not to say that the single letter doesn’t work just as well.

Joe Karbo’s Advice

Joe Karbo was an advertising genius who practiced simplicity. He expressed his philosophy in a wonderful little book entitled *The Lazy Man’s Way to Riches*. You should search

out and buy this great book! It's all about Joe's successful experiences in mail order and includes a simple formula for writing an almost infallibly successful ad or mailing piece.

It's so basic that I'm going to paraphrase Joe's suggestions.

Joe recommended two simple tasks in preparing a good mailing piece:

1. Think about all the benefits and advantages your product or service will bring to the people you're offering them to and write them down.
2. Pick out the singularly best, most powerful or all-encompassing advantage. It will be your headline.

A headline should appeal to one or more of four human needs — what Joe called the “Four Rs”:

- Reincarnation: The desire for immortality, youth or vitality.
- Recognition: Acknowledgment, identification or being distinguished.
- Romance: Attractiveness, desirability or popularity.
- Reward: Wealth, achievement, money or power.

After he came up with his headline, Joe would think about what that product should offer him and what problems he'd like it to solve. He wrote down all the ideas that would come to him — every crazy, off-the-wall, wild and fresh thought that his fertile brain would produce.

Joe's best solutions to copywriting problems came when he turned the task over to his subconscious and did something totally removed from writing, like mowing the grass or riding his bike. But he always kept his notepad handy. This process would gestate, then pour out thoughts, ideas, phrases, and copy. He would sit down again when this creativity started and write. His subconscious edited his outflow.

Once he'd written down all that his subconscious gushed out, he read it aloud and to hear if what he read sounded like conversation. (This is crucial. Copy should feel and sound like you are talking to another person.)

Joe focused on the desired effect or results people wanted, as opposed to the vehicle people used to get them. He used this example: His wife thought she wanted an expensive vacuum cleaner or a maid, when all she really wanted was an easy way to clean the house.

Joe constantly thought about what his product did better or cheaper or faster than anyone else's, and he wrote ads and letters geared to that focus. He told his copywriting students to think about the *reasons* that would make them buy a product.

Joe recommended that his students immerse themselves in the facts and figures about the product. Then after they packed their brains, just as he did for himself, he suggested they go relax and do something else so that their subconscious would take over.

Joe hated sophisticated writing. He felt that as soon as a reader catches on and notices your attempt to write too clearly, you're done for. All his writing was so natural you thought you were talking to him across the table.

Joe would have other people read his letter to see if the message was clear. He didn't worry whether the reader liked his style as much as whether they clearly understood the offer. If they didn't understand it, he'd rework it. If a sentence was unclear, he'd rewrite it. He felt that after reading his letter, the reader should know how much the product cost... where and how one would buy it or secure more information — plus one more very unusual thing.

Joe would always tell his reader what his product or service would do *and what it wouldn't do* — its advantages *and* disadvantages — the small, weak points. Why? So the reader would believe him. To be completely honest, Joe felt you must lay out the detrimental side as well as the good. He always told the truth. You should do the same. It's a powerful selling technique.

The Power of Customer Endorsements

Is a customer testimonial or endorsement an application of the human interest principle? Yes, but not always. To understand this paradox, let's consider two very different types of user testimonials, which might be categorized as follows:

1. **SUPERLATIVE.** These are the familiar effusive quotes: "Sensational!" "I use it every day!" "Wouldn't be without one!"
2. **ANECDOTAL.** These narrate an incident relating to the user's experiences with the product. "Case histories" and "before-and-after" accounts fall into this category.

While the first should not be dismissed, their only human interest element consists of the fact that a human being is quoted. Superlatives tend to lack credibility.

The second type of testimonial, well handled, is far more powerful than a truckload of adjectives. Such anecdotes are more believable because, instead of empty praise, they cite a reason for the user's satisfaction. It's easy for the reader to doubt the sincerity of a gushing tribute. It's a lot harder for him to be skeptical of a firsthand report of a specific event.

Use Testimonials

Could "the human factor" increase the impact of your advertising? Probably. But to do it right, you need a systematic approach. Here are some suggestions:

1. Capture every promotional idea. Save unsolicited customer letters. Instruct salespeople and telephone personnel to listen for and jot down comments that express satisfaction, unusual product applications, benefits or results. Remember once they get away, they're gone forever. Don't let that happen.
2. Begin a program to generate material. But don't stop with the ones that fall into your lap. Initiate a system that will produce usable anecdotes and testimonials. One of my clients automatically sends a letter to all customers four months after purchase, soliciting just such feedback.

A mail or telephone survey can be very productive. Bear in mind, however, that most people are not natural storytellers. To get them to open up, they must be prompted and coaxed by a skilled interviewer.

3. Specifics beat generalities. When interviewing, don't settle for vague replies such as the statement that the product "saved us money." How much money? Similarly, "Ajax widgets cut our production delays by 35%" is superior to "We saved time." Probe for success stories, problems solved, concrete results.

The more details, the better. Specifics supply a ring of truth that cloudy generalities can't equal. And they provide "color" — vivid, descriptive touches that convey a sense of authenticity and realism. Unless confidentiality is a factor or permission impossible to obtain, attribute fully name, title, company, city. Photo, too. This makes the quote more believable than "J. S., Illinois."

4. Don't fake it. While effective human interest stories often have the dramatic appeal of a good novel, play or film, their real power springs from a solid basis in fact. This kind of credibility can't be fabricated, so don't fake it. Aside from the ethical question, there are FTC rules governing the use of testimonials.

And some marketers (such as those selling certain investment products and services) are legally prohibited by regulatory agencies from using testimonials at all. If in doubt, check with your attorney or trade association. Be sure to save original letters in case you're asked for documentation. And obtain permission, preferably a signed release, if you use names or photos.

More On Testimonials Boosting Response

So why do so many direct mail marketers fail to keep, file, and use these little response-building gems? When used correctly, testimonials boost response — sometimes dramatically. They help build the prospect's perception of believability, stability, honesty, and value. Galen Stilson, direct response copywriter and publisher of *Mail Order Connection*, offers these tips on how to get and use response-building testimonials:

UNSOLICITED TYPE: Many times testimonials will arrive without you asking for them. The key here is to immediately get permission to use these in upcoming promotions and

then file them for easy reference and future use. You should develop a standardized system for following up on the receipt of customer comments.

You thank them and ask for permission to use their positive comments with attribution (name and address) in your future national advertising. Important: If you haven't received a written OK to print the testimonial with attribution, the only identification you can use is initials. And initials aren't nearly as effective as full identification.

SOLICITED TYPE: You can ask for testimonials in a number of ways. You can ask directly through a letter, you can use evaluation forms sent separately or included with your product shipment or you can use the phone.

Important: Be tactful. Don't say, "Please send me a testimonial." Instead, ask for comments, both pro and con. (The negative comments can be as revealing as the positive ones. Save them for yourself and your copywriter. They help identify problems and objections that can be corrected or overcome in future promotions.)

GETTING SPECIFIC, TARGETED TESTIMONIALS: Testimonials are no different than ad copy — the more specific they are, the more potent (especially when these specifics back up your benefits claims). Most testimonials are very general (e.g., "It's great," "It's wonderful," etc.) — and while these comments may make you feel good, they are not as useful as specific, targeted testimonials.

Reason: They lose impact because they begin sounding unbelievable. However, through editing and subtle suggestion, you can increase a testimonial's impact and specificity without changing the meaning.

For example, testimonials with various references to the product should be edited to fit the list you are mailing to and/or the space you have available. Also, testimonials can be molded to what you need them for through subtle suggestion.

For example, in your letter or evaluation form, ask for comments about your product (or service) in the specific areas you would most like to have your testimonials cover. Even when you receive the "It's the greatest thing since sex" type of testimonial, don't simply chuckle and file it. Instead, rewrite the testimonial according to the way you'd like it to read. Then mail your

version to the customer and ask if it accurately reflects his/her opinion and if so, may you have permission to use it with attribution.

MAINTAINING TESTIMONIALS: Instead of filing all of the letters you receive under one category titled “Testimonials,” file by potential use. Possible categories: “Benefit” (what customers like about product); “Name value” (is testimonial from a recognizable person or company); “Customer type” (male/female, job titles, etc.); “Product type” (what they bought and liked); “Geographic location.” Each testimonial category should have a code and each testimonial a number (the same testimonial may and should, fall into many categories).

USING TESTIMONIALS EFFECTIVELY: Testimonials can be used in direct mail packages or ads in many ways. They can be used for headlines, headline lead-ins, in the sales letter to give immediate proof of a benefit claim, on the order form to reaffirm value at the point of decision making, grouped together under a “see what other sharp people are saying” insert or section, as envelope teasers or as a buck slip/lift-letter insert.

Testimonials represent one of the most versatile copywriting tools at your disposal. To be most effective, they need to include attribution and be believably specific. Ideally, they should not all praise the same aspect of your product or company — diversity will add to their potency.

THREE FINAL NOTES: First, the best customers to approach are your repeat buyers. You know they are satisfied. Second, spend time refining your request so that it “sounds right.” You are asking for help, not demanding it. And third, include a postage-paid response device (a business-reply envelope or self-addressed stamped envelope) with every request.

Crafting Your Brochure

Your sales letter should be warm, human, sincere, honest, personal and one-on-one.

However, your brochure should be technical. It showcases the attractions, components, advantages or positive benefits of the product. It should be written in terse, one-sentence or one-paragraph statements that give a solid list of facts and benefits.

Some people have a myth that all they have to do is send a brochure... and that's it! A brochure is a summary or amplification of the sales letter, not a substitute for the letter. If you don't send both, you're losing 30–40% of the business because you're letting the wrong document do all the work.

The sales letter sells them, relates, answers questions, directs them to action... and suggests that as a review they look at the brochure, which is nothing more than the highlights restated. A sales letter *with a brochure* and a call can turbocharge your response!

An Exaggerated Example: You have an appointment with a highly qualified prospect. You bring your brochure, slap it on your prospect's desk, say only, "It's all in the brochure!" and sit quietly, waiting for something to happen. How long do you think you'd wait?

Given a clear understanding of the brochure's role and purpose, how should it be designed? Begin your brochure with a headline that summarizes the contents:

- Here is a Quick Review of Reasons You Should Take Advantage of the Offer
- Here Are the Reasons We Are Enthusiastic About Our Special Offer
- Some Important Facts You Should Know About Our Gee-Gaw
- Here Are the Reasons Our Product Will Benefit You
- Facts Figures and Testimonials that Confirm the Case for Buying Our Gee-Gaw

Before you list all the data in your brochure, write tight sentences or paragraphs that set the stage for each cluster of facts and figures. When listing performance characteristics, for example, preface the list with something like:

"You probably are interested in hard facts. These performance characteristics distinguish our widget from our competitors." Then provide the list. When listing or reprinting testimonials, preface them with an introductory statement like this:

"We are biased in favor of our product. You'd probably like to know what users say about it so here are unsolicited testimonials we've received. You can have any of their addresses and phone numbers if you'd like to contact them." Then, reprint or excerpt your best testimonials, endorsements, and recommendations.

At the end of your brochure, summarize and repeat a call to action. For example:

“These are some pretty compelling reasons to purchase or at least try our product risk free! Don’t you agree? Take us up on our money-back offer. Come in. Or send in the... Or call in and let us send you...”

Also, clearly and prominently restate your guarantee as powerfully as possible and summarize the entire proposition. It’s absolutely essential.

Coupons Can Help You Track Response

A coupon-oriented, direct mail offer can track your responses. *The Hotletter* offers this advice on coupons from James Kobs and Glenn Peters.

- Don’t camouflage the coupon. It may sound simple, but if you’re going to do a coupon — do a coupon. Hiding the coupon may be aesthetically pleasing, but it’s bad marketing. Your coupon should say, “Here I am. Mail me!” Helpful: Put a bold dotted line around the coupon. Also, if the rest of the ad uses a tint behind it, drop the tint out of the coupon. Bottom line: Make the coupon stand out.
- Put the return address and toll-free number inside the coupon. Assume that your prospect is going to tear out the coupon and mail it later. If he/ she doesn’t know where to send it or whom to call, you’ve lost a response.
- Repeat the offer and major benefit inside the coupon. Don’t say, “Send me more information.” Say, “Send me more information on how the Widget can solve all my cooking problems.” Another good idea is to have a “hard” and “soft” offer option. Have one box that says, “Give me more information on how the Widget can solve all my cooking problems and please have a representative call.”
- Another box would say, “I still have a few questions. Please send me more information.” This technique will qualify the leads a little more than using only one option and it can boost total response. Other ideas: Statement of a money-back guarantee; statement of “no obligation for free information”; a picture in or near the coupon of your information kit or catalog to give the offer more substance.

- Tell the prospect whom to make the check out to inside the coupon. When you've gotten to the point where your prospect has his/her checkbook out, don't let that order slip away! Make it as easy as possible for the prospect to pay — don't hide who is supposed to get the money.
- Give your coupon a name. Are you soliciting book club memberships? Call your coupon a membership application. Are you offering free information? Call it an information request. Give your coupon some extra value — after all, it is the most important element of your ad. And no matter what you call it, put a dotted line around it.
- Give your prospect enough space to write in their name and address. This also sounds simple, but it's amazing how many coupons you can find that are virtually impossible to fill in. Also important: Make the coupons easy to understand. If you have a lot of information to put inside, make the coupon bigger. Bottom line: Coupons are response devices — make it as easy as possible for the prospect to read it, understand it, and respond with it.

Send Your Clients An Unexpected Gift

Here is an idea that no one had ever tried until I did it.

I took a prospect list and sent 5,000 copies of a hardcover bonus book that retailed for \$20, along with a note telling the recipients that we thought it'd be nice for them to receive something unexpected, since everyone was always trying to get them to try new products.

I told them why I'd selected the book — it had ideas and insight into subjects that could make or save them money and that the book mirrored my client's views. There was no obligation to do anything, just read the book — but if they did, we were certain they would become interested in my client's product.

And since I was sending the book, I would also tell them about our newest promotion, offering a reduced-price chance to get it before the masses.

That single idea made my client \$1,300,000.

If not a book, then a report, tickets to a show, a coupon, something usable on its own — without spending any other money.

Tactics to Maximize Your Results — and Profits

You've put a lot of work into producing a well-crafted mailing package. Don't let all that work go down the drain once it leaves your hands! The number of tactics you can use to enhance, refine, and maximize the distribution of your mailings is limited only by your imagination.

The Power Of Affinity — Turning Affinity Into Revenue

I am going to identify, explore, dissect and then instruct you in one super-condensed manner on how to recognize, capitalize, and strategically actualize the benefit of affinity inside and outside your existing customer or client base.

So first of all, let's just take a look at what affinity is:

"Affinity is a grouping of people who have come together, figuratively or literally, because of a common shared interest such as cars, beliefs or common interest."

It can be people who are in the same profession, have the same problem, share the same specialty in the profession, who read the same publications; it can be people who are members of the same organization (professional, social, extracurricular, causal, charitable), have similar geographic, social or materialistic interests; it can be people who have different learning or educational interests, and anything in between.

Within your customer/client prospect list, the first thing you might be wise to do is identify what unique actions occur or re-occur, amongst as many segments of your customers. And what I'd do if I were you would be to sell more than one product or service, by category, to these segments.

For example, if your product or service tends to have a preponderance of people buying it who are either from the same profession, from the same geography or are interested in the same social, recreational or materialistic subjects, you would want to identify that, and then use that identification to capitalize on shortening the timeline and reducing the cost and wastage of your marketing.

How?

Well, first of all let's say you had a lot of customers that you found out were solicitors, for whatever reason. You'd ask, "Well, why does this work for solicitors?" Try to identify the reasons it works so well for them.

Then go to all your existing solicitors and ask them what publications they read, what groups they are part of, what subscriptions they have, what organizations they attend, what areas they frequent, what their hobbies are or anything else you can think of. Asking them about that might help you to identify a pattern and or commonality.

Then, try to get them to either introduce you, through personal introduction or through endorsement of a letter, to those groups. Identify how you could access those groups externally in a marketing approach — e.g. renting the mailing list, getting an endorsement, inviting members, people or subscribers to a seminar, etc.

The goal is very simple, but the hardest thing for anyone to do in external general marketing is to:

- A. Get into action and go win someone over.
- B. Show them that you have something that serves their needs either more effectively, powerfully, profitably or protectively than their current vehicles, or
- C. If it is a breakthrough/substitute for an alternative resource they already have, that your product or service is a wonderful extension to start experimenting with or use.

If you can cut having to build credibility or the time it takes to educate the customer — cut all the timelines and the process by being able to go to bunches of people who already know or respect your existing customers — then you can save a tremendous amount of time, money, and effort.

Go to a group that has a large or a reasonably sized group of the same kind of generic types — meaning categorically by the type of individual, type of company, type of interest, type of membership, type of whatever — and get that organization, that affinity group, to get their members, customers, associates, clients, readers (or whatever they are) to be accessible to you,

preferably with endorsement either coming from the organization or coming from your existing customers or clients.

This establishes immediate credibility, allows you to pre-empt the laborious, protracted, educational credibility process, and to get them to seek you out. You not only shorten the timeline, but you tremendously increase the response rate.

Affinity is really what you do when you get an endorsement. An endorsement is a form of affinity. An endorser could be a high-ranking or the highest-ranking and most respected individual or titled individual (meaning not just the president, but a managing director, the CEO or whatever the title is).

Even if the person isn't known, his or her stature as the highest-ranking decision-making officer of an organization — the president, the publisher of a magazine, the general director of an association — is very powerful.

You must therefore start by observing and asking every one of your best customers or clients what groups they are members of, what publications they subscribe to, what extra-curricular activities they engage in.

Then you have got to decide; "How can I connect those two realizations? This is a highly respected individual in their community, their industry or their field. How can I get this individual, entity or business to, in fact, lend the full force of their credibility, respect, unhedging support, and enthusiasm for my product, service or company, to their 'affinity group,' whatever that is?"

Now you've got to realize you have a lot of options, and that this method is just another way of getting in the "back door."

Basically, you can engineer a host-beneficiary by going to your customer. Let's, for example, say you have a customer who is the head of a big company, and that company has 10,000 customers who all have a similar profile.

If your customer loves you, your product, and your company enough, he or she may be willing to participate in endorsing a letter that is mailed to their customers. They may do it either

as a gift, just in appreciation for your work, for a profit share, as a consideration or a concession you pass onto their customers or for any other combination therein.

The person may not have direct influence with their own customers, but may be someone who's exceedingly respected in their industry, in their vocational area, in their hobby area, or they may be somebody who hangs out in their club with tons of people. You have to find out the best way to go about it, or vector in and then you've got to take fullest advantage.

I hope the power of ethically leveraging affinity makes sense to you.

Drastically Increase Revenue By Regaining Inactive Clients

Chances are great your enterprise is sitting on a forgotten gold vein that you've already paid the price to mine.

Depending on the size and the age of your business, I'll bet you've got dozens or hundreds or thousands or hundreds of thousands of customers or clients or patients who have gone from active to inactive status. *By winning back these lost customers, you can instantly multiply your sales revenue!*

In previous issues and bonus materials, I've delved into the concept of why customers stop buying. You may recall the key reasons are twofold: Number one, something happens in the life or the business: a customer or client that causes them to interrupt doing business with you for a short period; they become accustomed to this interruption and never start again. Number two, the customer had a bad experience with your company, firm or enterprise.

These two factors alone cause over 75% of all customers to go inactive in virtually every case I've ever studied. Chances are high they are the reasons most of your customers or clients have gone inactive also. So let me share with you a very easy approach to get a huge portion of those people or businesses back in the buying process again. Here's what you need to do:

First, recognize that your product or service is not the only issue in any individual's or business's life. You have to recognize that customers may stop doing business with you for legitimate reasons.

For instance, they go on vacation, they have a change in their economics or someone in their family or at work gets sick and they have to spend more time at the office or at home and can't get out the way they used to.

When that happens to customers, their buying habits change temporarily, and unless you bring them back into the fold, that temporary change becomes permanent. People basically get inertia-prone and get stuck in the status quo.

But the key thing to realize is that a number of your inactive customers originally stopped doing business with you on a temporary basis. It's up to *you* to prevent that temporary hiatus from becoming permanent!

Reestablish Contact

You are actually going to do them a great service by reactivating them. Here's what you do: First, you've got to contact inactive customers. If you have a very high-ticket type of product or service and your customers are conveniently and geographically accessible, you should visit them. If that's not feasible, you should call them.

If that's not possible, then you should write them. Now, you don't actually have to do it yourself. While that has the most impact, you can also have an associate, a salesperson, an assistant or some other staff member contact these inactive customers for you.

No matter how you make contact, the first thing you should communicate is, "I'm concerned about you. I'm concerned because we haven't done business with you for a long time, and I'd like to know if everything in your life or business (depending upon what kind of customer they are) is okay."

I'm contacting you (either in person, by phone or by letter) to make sure everything is okay. If there is anything wrong, I want to let you know that my company cares, and I want to know if there is anything I can do to help out."

When you do this, it grabs people because they've never thought about whether anybody's worried about them. And you should actually be worried, because unless that customer outgrew the need for your product or service or moved, you should concern yourself with why

they *used to buy*, but aren't buying from you anymore. Don't take this withdrawal from you as a normal part of life and business. You should say, "Something's wrong here. This is a red flag!"

Right the Wrong

You have to determine if something is wrong in your former customer's situation or if your company in some way did something wrong that drove this customer away. Either way, you have to right that wrong or help solve that problem because your purpose is to be more than just a money-taker: it's to be your customer's greatest ally, their greatest asset, their greatest and most trusted friend.

So far, you've either visited, called or written your former customers, and you've expressed that you're worried something's wrong. In addition, in your communication, you should also say, "Perhaps we have done something that either offended, disappointed or inconvenienced you.

If we have somehow let you down, I absolutely want to know about it. This way I can make it right for you, and I can ensure that something of that nature never happens again to anyone else. I assure you, our intentions and desire have always been and always will be to serve your needs and to provide the highest level of satisfaction and performance. If we failed you in any way, that's intolerable and I must remedy it for you."

That simple approach, carried forward both in letter and in live communication, has an incredible impact on people. The vast majority will realize that they stopped buying for no reason, and they will go out of their way to resume a buying relationship with you. Second, it is very likely they will also get other people to buy from you.

Be Sincere

Now, let's say the reason they stopped doing business with you was because of something you or your company did wrong in their eyes. If you can convince the former customer of your sincere desire to right the wrong, the inactive customer normally will tell you how he or she feels.

They will say, “Now that you mention it, I did have a bad experience three years ago. I bought something; it wasn’t what it was supposed to be and no one made it right. I called two or three times, was given a run-around and I finally decided, the heck with you!”

When that happens, all you have to do is say, “I wish I had known. I will personally move immediately to set up a protocol or a procedure or a system in that area that never again allows that problem to occur. You have my word on it. However, that doesn’t make up for the disservice and disappointment that was inflicted on you. So what I’d like to do — with your permission — is to try to make up for the inconvenience.” And then you can do whatever seems appropriate for the situation.

Give them a free item if you can afford to do it. Give them free service. Come out and fix what was wrong if it has not been fixed. Give them a credit toward some other purchase. Give them a discount on something else they want to buy.

Tell them what you’re doing and say, “There’s no way I can make up for your past disappointment, but I hope this will help a little to show that we appreciate you. And even if you never, ever do business with my firm again, it’s critically important to me that you can say to anyone that the last transaction you had with us was a positive and satisfactory one.”

If you move with that kind of verve and conviction in either your letter or your phone call or in your visit, the vast majority of people will succumb to your sincere expression to rectify the problem.

Regular Communication is Key

In many situations, you will find that a huge portion of customers became inactive because you stopped regular communication. So start communicating on a continuous basis with all those inactive customers. Communicate with them regularly, and use communication to give them information of value, ideas they can use, and an acknowledgment of their importance as a key individual in your business life.

When you communicate frequently, it often reactivates the buying relationship. Contacting former customers will almost always reactivate 50% or 60% of the inactive people.

But you have other categories of inactive customers to deal with. This includes people who became inactive because they no longer have a need for your product or service, and people who became inactive because they perceive — accurately or otherwise — that another product or service fills their needs better than your product or service did. When you are dealing with these types of factors, you have to resort to a different strategy.

If your inactive customers no longer have a use for your product or service, you've got to find a way to reclaim the enormous investment you made in that relationship. My recommendation is to make strategic alliances with other firms or professionals that have products or services you know these inactive customers could still benefit from at the highest level.

Contact one or two such firms or professionals and offer to introduce, recommend or endorse their products or services to your customer base. Ask for 50% of the initial purchase by anyone you bring to them (your business colleague almost certainly spends this much to find new customers on his own). And ask for 10% of any future purchase by your referees.

How do you introduce your inactive customers to another company? Again, visit, call or write to them and explain that even though they may no longer need your products or services, you are almost certain that in their current situation they will have a use for this other product or service, the XYZ widget.

Arrange Third-Party Deals

Then explain what benefit or result or advantage the XYZ widget can give them and mention that you have a relationship with one of the preeminent providers of widgets in the city, the country the market, the industry — depending on the business you are involved in — and you feel certain that it would be highly beneficial to them to get to know and deal with this company, and it would mean a lot to the company also.

So you've taken the liberty of introducing the two parties, and in the process you have engineered a very appealing, risk-free way that your inactive customers could start a buying relationship. Finally, I would give them a deal of some kind: a price advantage, a bonus, more risk reversal than the industry norm — something where they can see that they are acknowledged.

How do you regain a customer who left you for better pricing or for a product or service with more bells and whistles? This is almost certainly a problem you will face at some point — there will *always* be other companies offering lower prices or offering more bells and whistles than you do.

The only way you can counter that is to revere and highlight the “added value” you and your company provides. I’d visit, call or write to the inactive customer and say, “There are a lot of people out there selling a lot of things. You can always find a widget for a few pennies or dollars less.

“The critical question you need to ask is, ‘What is the price you end up paying for that modest saving?’ If it’s ‘zero,’ then it was an astute decision. But if that saving compromises any of the following three measures, then it’s not worth it:

“Number one, the extent of expert advice you get in the buying process to make sure you don’t purchase the wrong size, the wrong quantity, the wrong components, the wrong accessories or the wrong options.

“Number two, the level of follow-up support or service that is available. Somebody who sells things too low often can’t justify having expert sales assistance available. You have to fend for yourself. You have to make buying decisions, and sometimes you’ll make the wrong choice, even though you’ll get a great price. Ultimately, you end up losing much more than if you had been willing to pay a few extra dollars.

“Number three, the fact that when you do business with us it’s really part of a long-term relationship. JVH Company approaches business and our relationship with our customers very differently from most of the enterprises in our industry. When we take you on as a customer, we are taking you into our family. We cannot knowingly allow you to make a mistake, to buy the wrong product, quantity, quality or application of the product.

“To our knowledge, this is not the attitude that is shared by all the people in the industry. We care about you. We cared about you when you were our customer. We probably care more about you now because we are concerned that you are not getting the fullest benefit for every dollar you spend. And if not, we want you to know that we welcome the opportunity to have you back, even if we only get a portion of your business, because you are very important to us.

“We care about you more than just your capacity to spend money. We got to know you and your business, and we don’t just stop caring. We’d like you back because we can contribute so much more to your happiness, prosperity or productivity (depending upon the product or service). We hope you will give us the opportunity because if we didn’t express it in the past, you mean very much to us.”

If you conduct yourself in the way I’ve described and you make this philosophy an inherent part of the culture of your business, then your inactive customers will flock back to your business and will buy from you with new enthusiasm.

Use Courtesy Mailings to Rev Up Sales

Whatever business you’re in, it pays to keep your name in front of your customers. Apart from buying advertising space, or radio/TV exposure, one way to stay visible is to send your customers free informational brochures.

If you sell air conditioners, the brochure might contain tips on how to stay cool in the summer, outdoors as well as in. If you do landscaping work, the brochure might name the various kinds of flowers, shrubs and vegetables that grow best in your area or it could caution people about bee stings.

If you’re an attorney, the flyer might explain how power of attorney works and why a lot of older people should have that legal protection. Mortgage clients of mine send out fliers on rates and new loan programs.

The tone of the brochure, flyer, pamphlet or fact sheet shouldn’t be hard sell. It should be low key — and accompanied by a cover letter signed by you. In the letter, simply explain that you came across some interesting facts about... (whatever it is)... and wanted to share that information with the customers.

Most customers appreciate soft-sell courtesy. And, if they’re appreciative, they’re more likely to do business with you than with one of your competitors.

Planning Regularly Scheduled Contact with Customers

Basically business owners make a terrible mistake. They don't work their customers nearly as often as they should be and could be, or as often as customers would like to be contacted. The key with continual contact with customers is to keep promoting as long as it is profitable. Customers will always tell you what to promote (and how many times to promote) through their response or lack thereof.

When you do a promotion, you can experiment with: 1) segmenting out the people who respond and remailing the people who don't, or 2) leaving respondents on the list and seeing what kind of difference it makes in results. A lot of companies, Franklin Mint for instance, mail an offer to their customers almost every week.

They certainly don't continue to mail weekly because it doesn't work. Rather, they do it because some finite percentage will respond. If the mailers are tasteful, fascinating, informative, useful, interesting and incorporate some value basis of their own so that by reading them it's a useful endeavor — a profitable experience irrespective of whether the recipient responds — customers are not going to be turned off. They're going to look forward to them.

A subset of this idea that I would inject is the 80/20 rule. You should make sure you cater to those 20% of your client's customers who continually gives you their repeat business. Mail to these 20% constancy. They're the ones who are the most devout and affirmed in their enthusiasm for your client.

Continuity in Correspondence

I believe in continuity when contacting customers. I believe in a comfort level where a business can become the best friend of the customer. In order to do that, you must first establish a first person narrative approach between the customer and the initiator of the correspondence — most preferably the owner-not only in direct mail but even in telemarketing.

You could instruct your client's telemarketers to say, "Jim Smith asked me to call. He wanted to call you directly, but got tied up in a meeting and decided this wouldn't wait. He apologizes in advance and asks you to appreciate the fact that I'm calling you instead. I'm his assistant and he wanted me to tell you blah, blah, blah." That's a powerful way to have a salesman call somebody.

It is very important to set up a continuity that customers are comfortable with, so they look forward to receiving correspondence from the business owner — so it's not incongruous. They look forward to this man or woman who communicates with them regularly to tell a story, to explain the reason he's doing it. He gives some useful information. He's worried about the customer personally ahead of his own profit.

Even though he thinks he's selling a wonderful product or a wonderful service, he is worried that it's still not right for you, and he doesn't want you to pay for it, or keep it, or continue to use it. If it doesn't pay off, if it doesn't save you money, if it doesn't whatever, he wants to give you your money back plus a little bonus for your trouble.

And, when telemarketers talk about coming to visit the business, don't have them just tell the customer, "We're at 1345 Main," but rather say, "We're right off of this street, one block to your right, you take a left, another left, we're right there in the big yellow building." That's the personal touch. But, it must have continuity.

What kind of schedule or procedure should you use to follow up with telemarketing? 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.

Very specifically, years and years ago I sold very expensive, very intangible lead-generating services for companies who sold investments, life insurance, etc., which were very difficult sells. Our typical minimum sell was \$25,000 or \$30,000. I found that the only way I could sell it was to contact somebody and embark on a series of seven different call/letter/call/letter/call sequences that normally required a time duration of approximately 8 to 12 weeks.

If I didn't effect all seven transactional components an introductory letter, followed by an explanatory educational phone call, followed by a substantially expansive follow-up letter, followed by another telephone call, all of which imparted product and marketing knowledge the prospect I was trying to solicit didn't possess, and I was imparting valuable information they could validate and profit from immediately, irrespective of whether they availed themselves of me I never closed a sale.

Whenever I worked the system of call/letter/call/letter/call, I never failed to close at least 7% of the people in process in a 60- to 90-day period. I never knew who they would be and I didn't care, but anytime I tried to shortcut it and consolidate it, it never worked.

The second derivative of this is simply to send a sequence of successive letters to somebody if it's a mail order. In other words, take a prospect if you're selling an expensive product, and send out, figuratively speaking, six or seven various letters approaching the product or service you're purveying from different focal thrusts.

For example, one may be an endorsed letter by somebody; one may be a letter emanating from a user. One may be a letter from an ex-competitor. One may be a letter from a personality who is respected. One may be a letter from you. One may be a letter from the chief engineer. Each one has an order request and the final one will be one which will say "call and associate yourself" or be a final request and tell him/her you're not going to send any more letters.

I've tried this when selling subscriptions to Marketing Genius with interesting success sending a sequence of different letters before we asked for the order. We tried one time sending four preparatory letters telling them we're not even going to ask for the order until you get the fifth one. We've had very good success with it.

The point is, try sequence mailing where you're talking a sale in the four- or five- or six-figure range. You're talking about profits in the same level. You're talking about an objective that can justify a very complex solicitation.

Don't be afraid to try sending somebody seven consecutive letters, presuming the guy read the previous one, and see what happens. Make each one, however, a complete sales pitch in its own right and make inclusive in each one full instructions and a request if you're ready to order right now do it; if you're not, I'm going to give you more reasons to avail yourself of our products or our service.

By experimenting with sequential sales (i.e., call/letter/call), and by experimenting with a succession of progressive letters to the final hit, you can do some nontraditional marketing that can be very effective. These are two very overlooked and very rarely implemented techniques that, if properly modified to your business, can be valuable.

Keep in mind the following the fact that most people don't put forth a concerted, ongoing effort to sell. They don't persevere, they're not tenacious, they're not concerted, they basically only try one time and then give up. It is my opinion that if you nurture it and purvey a series of overtures, you will enhance your closure rate many, many times. Experiment and find out for yourself. I think you will find it interesting.

Become a Customer Or Client's Pen Pal

Many of the top retailers I know make a special point of staying in almost constant touch with their customers by mail.

In fact, one of these merchants once told me, "Jay, you know how they say that in real estate it is location, location and location? Well, in retailing it's communication, communication and communication!"

That retail friend uses any good excuse he can find to write a letter to his customers. He writes to tell them about new products that are arriving. He writes to alert them to special sales. He writes to ask them for referrals and to offer them incentives for referrals. He always writes to wish them a happy birthday and happy holidays!

That kind of attention might seem forced, but more often than not, customers are hungrily yearning for it. Down deep, we all want someone to keep in touch and let us in on good deals.

So, I urge you: Write to your customers, clients or patients — even if you feel awkward about writing letters! At the very least, drop your customers and clients a card now and then.

Here's how pen-pal marketing can play out effectively in several non-retail scenarios:

- An attorney can write to clients from time to time to say hello and to remind them of special needs that might arise in the future — such as the need for a will review, a lease review or advice on how to handle the legalities of a "sale by owner." The point is to stay connected and to keep lines of communication open.
- A physician can write to remind patients of their scheduled appointments — or to tell them about an addition to the office staff, or new office hours, or simply to

note that they haven't been in for a check-up in a year or two. The point is to show an interest in patients as individuals.

- An insurance agent can write to the parents of a newborn baby, offering congratulations and a low-key reminder that one or both parents might want to buy some life insurance.

For years, one of the most successful wine retailers in the Washington, D.C. area sent a personally written newsletter every month to her customers, telling them about new and unusual wines. She also gave them tips on cooking with her wines, and a heads-up on vineyard tours.

That wine retailer's customers loved that kind of contact. In fact, she was able to put many of them on a plan where they were having cases of her wines automatically sent to their homes each month!

Finding Your Ideal Customer

Imagine there were a long list of model customers, the kind of people who love your product or service, are loyal, purchase frequently and in large amounts, and cause no problems. Having these people as customers would boost your revenue exponentially. What would you do to get that list?

Well, I can help you build one yourself. In fact, you may already have the list in your possession.

What we're really talking about here — the concept of identifying future ideal customers who act just like your very best current customers — is called database marketing. Don't be afraid of it — it's actually quite simple. Database marketing targets people who would be ideal customers for your business by using demographic information and other traits and then marketing to those people as unique individuals.

First of all, let me share with you the basic idea behind database marketing. Again, it's elegantly simple: All we're trying to do is analyze and use the information you have already collected on your customers to identify who is your ideal customer.

This information could already be in your computer, or it could be on your selling documents. But most likely it's never been organized in a usable form for the purposes of making better selling decisions and communicating better offers to your most likely future customers.

The more you know about your customers, the more cost-effectively you can target your marketing efforts. Certain segments or categories of your existing customers, your past customers and your prospective customers are going to be more responsive to any general offer you make. Also, some are going to be far more interested in very specific products or services.

Most businesspeople I know are pretty good when it comes to knowing their own product or service. I bet you can tell me why your product or service is superior and valuable. But how much can you tell me about your buyers, your customers?

Where do most of them live? What kinds of cars do they drive? What businesses are they in? What civic associations do they belong to? Do most of them have kids at home? Do they travel a lot? Where? On business or for family vacations?

Perhaps you can answer many of these questions — terrific! You're already several steps down the road to more profitable prospecting through database marketing — without even knowing it!

The secret lies in what you do with that information. Because once you're able to describe your typical customers — based on as many personal and business characteristics as you can imagine (the more, the better!) — then you will be able to zero in on your most likely future customers with amazing efficiency and accuracy.

A Lesson in Efficiency

Here's a real-life example of remarkable efficiency that underlines why you should use database marketing:

My son sold copiers for a major international copier company, and his target market was a segment of Los Angeles. He would start his day just going door-to-door, up one street, in one set of buildings and offices, down to the other, then into one industrial park until he had knocked on every door.

He was actually making money, but I thought that his approach was very ineffectual. He was trying to put the eight ball in the side pocket — the hard way.

I talked to him, and I said, “Son, I think there is a better way.” And he said, “Okay, Dad, I’m game.” I said, “Why don’t you go to your company and ask them what the four or five highest probability buying groups are? In other words, get a list of the industries that are four or five times more likely to be a buyer of copiers and shredders and fax machines than the others.

Once you learn what those groups are, then get a list of every business in your territory — even if there are 10,000 — and overlay that list on your segmented list of the four or five best types of businesses. Pick out every company in your marketing area that is on that list. Then organize them geographically and call on those people first and foremost and don’t screw around with companies that are one-tenth as viable a prospect.”

Once he did this, his sales went up, his efficiency went up, his profitability went up, his downtime went down and he looked like a sales genius.

You’ll do the same thing when you start imposing this kind of segmented logic on your decisions. Segmenting is an essential part of defining your business. It focuses your attention on the customer, his needs, his unique characteristics and what he or she has in common with other related segments of your customer or prospect list.

It helps you organize and determine how you are going to effectively use your resources. It helps you get the highest and best use of every hour, every effort, every call, every letter and every ad. You can’t get the best effort if you’re not talking to the best categories of people about the very best areas of interest that they specifically respond to.

Use a Targeted List

Like the situation I talked about with my son, why would you want your salespeople wasting their time calling on just anybody when instead they could be calling on only high-probability prospects?

If you don’t know who your customers are, it makes infinitely better sense to get a targeted list of decision-makers with addresses and phone numbers. If you know that three out of

every 50 people on a block are your prospects, why would you want to make the 50 calls to find them? Wouldn't it be better to first segment who those three are?

What my son discovered — and what I want you to take advantage of — is the power of “segmentation.” Before you throw up your hands, let me say that segmentation is nothing more than the process of dividing your customers or prospects into groups with similar buying characteristics or needs.

Segmentation is something I try to get every one of my clients to do as soon as I start working with them. I typically say, “Tell me everything you know about your customers. I want to know who buys the most, what they buy, how often they buy, what kind of business they are in, what unique or similar factors you know about each one of them.”

Let's say it's evident when you analyze your customer base that 59% of your customers happen to be engineers, but you've never tried to target engineers in your sales. Perhaps you should be looking for lists of engineers, exhibiting at engineering trade shows or advertising in engineering journals.

Okay, so how do you segment your customer list? Remember, your aim is to find ideal customers like the best ones you already have. It stands to reason that the people most likely to become your future customers are people who have similar characteristics and needs as your existing ones. This is a very simple, logical and obvious statement, but — quite frankly — it's one that almost everyone I've ever worked with has failed to grasp.

A Simple Way to Build a Potent Customer Mailing List

Never discard a name or lead. Put it on your customer mailing list instead.

You can use the list to...

- Generate business by advertising special promotions, sales or overstocks.
- Survey customers about their likes and dislikes.
- Build an ongoing business relationship with customers and prospects via a customer newsletter.

Here are a few ideas retailers can use to build a customer mailing list:

- Identify current customers from receipts, charge slips and checks.
- Set up a guest book, a fishbowl for business cards or a sign-up for your mailings.
- Hand questionnaires to customers or slip them into shopping bags.
- To enhance response, add a sweepstakes contest to any of the above.
- Get the name and address of anyone who makes inquiries.
- Use a list broker (e.g., Dun & Bradstreet Corp.) or rent names from magazine publishers. These sources will allow you to target prospects based on specific demographic criteria — for example, those in a certain age group, income bracket or geographical location. Lists cost about \$22 to \$75 per 1,000 names for one-time use.

Be sure to update your mailing list on a regular basis. Use telemarketing to “clean” it periodically by verifying names and addresses.

Once you collect and analyze your information, you can focus your marketing and sales efforts where they’re going to do the maximum good. But to make it work, you’ve got to have sufficient data to draw from.

If you do nothing else from now on, promise me and yourself that you will collect, analyze and segment as many facts about your existing customer base as you possibly can. This is the key to assembling the pieces of the puzzle that will give you a clear portrait of who this ideal customer is you’re seeking. It’s almost like playing a detective game.

Start by capturing everything you can from this moment forward. Sometime down the road, you and I will come back to this data and mine it for gold. Every time there’s a transaction, or anytime you can analyze something about a customer — address, age, other characteristics — document it. List the buying categories that your customers are interested in or the frequency with which they purchase.

What you're doing is building a marketing database. Once you do, I guarantee you, you will get a profitable result, and you'll start seeing how to make your sales, advertising and marketing efforts more productive and profitable.

Let's say you're starting from square one in building a database for marketing. I'm going to give you an easy step-by-step method for creating, organizing and maintaining your own database.

Building the Database

Number one, start with whatever you have. You have data somewhere on all of your customers, but you just may not know that you have it, or it may be in a form you don't recognize. It's either going to be information you have in your computer when you input orders, or it's going to be information on a receipt, order form or purchase order that you've got filed away. It may even be in the minds of your salespeople.

Here are the questions you must ask:

- Who are my customers? Answer this as clearly and as specifically as you can. What's their age range? Is this person a key decision-maker? What do you know about their income, their education, their business, their interests? What are all the other things you know about them? I mean everything: their size, their hobbies — everything that can be isolated, you can try to match with other targeted groups you can go after.
- Why are they my customers? In other words, why do they buy from you? What is the biggest single result they are trying to achieve? What are their common needs? For example: Do they want to manage people more effectively? Are they on a limited budget?
- What are their future needs? Can you project forward to emerging issues, problems or opportunities? The basic reasons they were drawn to you initially may not currently exist for all of them. But you can prepare for future needs now.

You will also want to know the business they are in, especially if what they buy from you is for use in their business. If your product or service is something they buy for personal or family

use, find out a little bit about them as a consumer. Such as, do they have kids living at home or do they rent an apartment or own a house?

You want to know what they buy from you specifically and why they buy. Also, find out how often they buy from you and how much they spend each time they buy. Another important piece of data to know is where all your customers come from.

If you see that they are coming from a specific geography or population or industry, then you are going to want to target more people in that geographic location, population or industry.

If you're building a customer list — that is, YOUR DATABASE — you want to consider each of these critical elements. You will need a customer number. You'll decide, for example, if your customer is LMN Corp., if it has one "corporate" number or a different number for each division you may sell.

Depending on your level of sophistication, you may want to assign a numeric/alpha code (e.g. 2345 is the Department of Defense; 2345 A = Order from Ft. Ord.; 2345 B = Order from Ft. Hood). You can then ascertain the most recent order from Ft. Ord by looking up 2345 A... or you can access the Department of Defense records by simply inquiring about account number 2345.

You will also have to decide how far BACK you want this record to go. This depends on the nature of the products you sell. If your best customers buy from you five to ten times a year, then a 24-month file would be meaningful.

However, if your best customers buy from you only one or two times a year, then you'll probably want to maintain a five-year history. Some people prefer to maintain a lifetime record. The point is, you want to have at least ten historical transactions to view when analyzing a customer if it is at all possible.

You need to build in some methodology of automatically handling each of these. Recency is pretty easy. Every time you enter a "purchase" you date it. The "date of last purchase" is updated so if the JHK Company bought from you in December 1993, when they make a purchase in July 1994, the July 1994 date (MMYY) overrides the previous data. So the four spaces in your customer record contain the most recent date.

For frequency, you need a two to three column space in your record layout. This simply accumulates purchases. Your program has to “add” one more purchase each time their customer “number” is entered.

Similarly, money will be a 4-9 digit field that accumulates dollars (not cents) spent. If customer #765 bought \$151.52 in December ‘93, the “field” would indicate 151. When they make a second purchase in July of ‘94 for \$256.95, the monetary field would automatically update itself from 151 to 407 (151+256).

Specificity is more complex. You must group together logical purchases. If you run a nursery — you can have one product code for plants and seeds, another product code for fertilizer and possibly a third code for “hard” products such as pots and decorative chips and lumber.

If you’re running a tax preparation and bookkeeping service you’ll want to have one code for people who only use your “annual” tax service and another code for those who use your bookkeeping services. You would have a two “field” product code. If a customer used both services, have a notation in both fields.

When you send out a tax mailing (in December), mail it to everyone with an indicator in the first field. When you send out a bookkeeping service mailing, select those names that had an indicator in the second field. If a customer used both services, they would be selected when you instruct your computer to select the names in field #1 that had an indicator or all the names in field #2 that had an indicator.

If you’re selling audio tapes, you might have a code to indicate if the consumer bought a “business” tape, such as how to conduct a sales meeting. You would have a different code if they bought a “consumer tape,” such as how to have a super-power memory. Some people find SOURCE important. It is not critical for most people... but you may find it important in your business.

Source indicates “where” you got the name from. If you sell a computer software program and get 40% of your business “directly” from the consumer and 60% of your business through distributors (and you capture those names because of a warranty card that the customer sends to you), it’s probably important to retain a SOURCE CODE.

The people who bought directly from you would be much more likely to respond to a mailing you send them offering an updated version of the program they bought or a new program than those who bought through a distributor.

You may find it necessary, in order to keep your distribution network happy, to send a mailing to the “direct” group offering them the updated version by mail, while telling the second group to visit their distributor for the updated version.

If you were a magazine, you would want to separate the names of people who bought cut-rate through American Family Publishers or Publishers Clearing House from those people who subscribed directly from your publication.

Historically, only a tiny portion of the “agent sold” names will renew while the majority of the “direct” names will renew. It would most likely be profitable to only mail two or three “renewal” promotions to the “agent sold” names while it would be profitable to mail five or six renewal promotions to the “direct sold” names. That would only be possible if you captured the SOURCE when the name was put on your database.

Most people use fairly simple criteria for taking names off their database for a mailing. For example — you might simply say: “Give me the names of anyone who bought within the last year.”

Or you might say: “Give me the names of anyone who bought within the last year or bought more than three times, regardless of when the last purchase was made.”

Slightly more sophisticated would be: “Give me the names of anyone who bought within the last 6 months, or bought 3 or more times, or bought over \$1,000 worth of merchandise, or bought something with product code A or R.”

Mathematical Modeling

The most sophisticated approach (and that practiced by companies like Spiegel’s, Sears, Montgomery Ward, etc.) is to create a mathematical model combining recency, frequency and monetary.

What might a model look like... it would combine the elements we have already discussed.

- **Recency** — remember that is the most important criteria. If a person bought last month you might give them a score of 1,000. Take away 10 points for every month they have NOT bought. So someone who bought last month has 1,000 points — someone whose last purchase was a year ago has 880 points (1,000 minus 12 months x 10 points).
- **Frequency** — you might add 50 points for every purchase. So a person who bought only one time has 50 points. A customer who bought 20 times has 1,000 points.
- **Monetary** — might possibly be one-to-one. So a person who spent \$161.26 would have 161 points. A person who spent \$4,151.16 would have 4,151 points.

Here are a few examples:

Mary Jones buys from a local florist. She buys almost every month. However, she spends only \$7-\$10 each time she makes a purchase. Our files are programmed to go back 36 months.

- Recency — Mary would have 1000 points since she bought last month.
- Frequency — Mary would have 36 months worth since she's bought every month for the past 3 years. She gets 50 points x 36 months, or 1800 points for frequency.
- Monetary — Mary has spent an average of \$8.50 for 36 months. That totals 288 points (note $\$8.50 \times 36 = 306$, but we've been dropping the cents, so you only count $\$8 \times 36$).
- Mary has a SCORE of $1000 + 1800 + 288 = 3088$

The Johnson & Smith Insurance agency also is a customer of this florist. Once in a while a customer buys a new house, and they've made it a practice to send a \$50 plant to these people. Over the past three years they've done this eight times. They haven't made a purchase in seven months. Here's what their score looks like:

- Recency — They started with 1000 but lost 70 points (7 months x 10 points) so they're at 930.
- Frequency — They only ordered eight times over the past three years. So they get 8 purchases x 50 points, or 400 points for frequency.
- Monetary — They spent \$50 eight times — so they get 400 points for monetary.
Their score is 930 + 400 + 400 = 1730

Based on this scoring, Mary is a much better “customer” than Johnson & Smith — almost twice as good a customer.

When this florist is sending out their Christmas promotion, they will ask their computer to print out the names of all people who have a SCORE of 2,500 or more. Mary would be selected because she has a score of 3,088. But Johnson & Smith would not be selected because their score is only 1,730.

A sophisticated company with a large database would test this. For example, it would select all (100%) of the names scoring 2,500 or higher — their very best customers. Then it might select 5,000 names from each segment: “under 1,000”; 1,000-1,250; 1,251-1,500; 1,501-1,750; 1,751-2,000; 2,001-2,250; 2,251-2,499.

By coding each segment they would know how “low” in the scoring they could afford to send their mailing profitably.

If this fictitious company were to mail every customer they ever had — regardless of when they placed their last order, how often the customer purchased, or how much money they had spent — the odds are the mailing would NOT be profitable.

Similarly, if they only selected those people who bought within the last five months, or those who bought three or more times, or those who spent \$1,000 or more dollars, they would probably be eliminating a major portion of the names they could profitably mail to. By developing a “scoring” system that permits you to weigh each of these critical criteria — you maximize your promotional dollars.

The specificity would cut across this scoring. In other words, if you're running a nursery and are promoting plants and seeds, you would probably only mail to that product code — selecting which plant and seed buyers to mail to by utilizing the scoring.

Renting Mailing Lists

When you're renting a mailing list, you can almost always select recency (Hotline). If you're renting the subscribers names to *PC Magazine* you want to rent the names of people who "just" subscribed last month. You can only select frequency (multi-buyer) in a small percentage of lists, but it's often available.

Monetary is available on even fewer lists, but then again, it is something you should ask about.

In most instances, specificity is a part of the list itself... few mail-order companies sell multiple products. But if you're renting the Spiegel's list, you can select by type of product purchased. And there are other lists that will make this available also.

- Who are we?
- Where do we live?
- What kind of people are we?

There are schools of thought that say that your business either grows — or dies.

Your business may be based on a shrinking segment of our society. That doesn't mean your individual business can't grow — but it means that you're forced to expand your business by taking business away from someone else and by grabbing a larger market share. If your business is in a rapidly expanding area — then your prospects will be people "new" to the need.

The easiest way to deal with this is geographical expansion or contraction.

Between 1980 and 1989 the population of Nevada increased 29% and the population of Wyoming decreased 11%.

Population increased over 10% in California, New Hampshire, Arizona, Florida and Nevada. It decreased over 5% or more in Louisiana, Montana, Michigan, Iowa, North Dakota, West Virginia, the District of Columbia and Wyoming.

50,000 people a year move from New York State to Florida. As of 1995, Texas has the second biggest population — surpassing New York.

In 1990, half the U.S. population was in 14 states. Think about what this means to your business.

Traditional values are changing...

Nearly two-thirds of black households are headed by a single parent. Fifty-five out of every 100 black children are living in single parent households. The number is 30 out of every 100 for Hispanic children and 19 out of every 100 for white children. One in four children are growing up in single-parent families.

Over 50% of black teenage mothers are single — and 26% of all black children are born to single mothers. In the last 20 years, the percentage of white single parents went from 9% to 19% — of blacks from 33% to 56% and Hispanics are now at 30%.

The percentage of never married whites is now 1 in 5. In 1970 the number of people aged 20-24 who had never been married was 36% — now it's 63%. In 1970 fewer than 10% of those age 30-34 were never married. Now that number has nearly tripled. More people are never getting married — and those who do marry are marrying much older.

Diversity

One in four residents in California was foreign born. In Mississippi, fewer than one in a hundred was foreign born. The majority of black residents are concentrated in eight states, the majority of Asians in three, and the majority of Hispanics in two.

In 186 counties, the number of Blacks, Hispanics, Asians and American Indians make up more than half the population. But in 24 states there is no one single county where any of these groups constitute a majority.

In California over 5,000,000 people speak Spanish at home. In New York 400,000 speak Italian at home (in North Dakota 106 people speak Italian at home). In New York over 100,000 people speak Yiddish at home (in Alaska 12 people speak Yiddish at home). In Massachusetts over 100,000 people speak Portuguese at home.

Nationally, over 17,000,000 speak Spanish at home.

New arrivals to America are coming at an incredible rate. In the early 1960's, 1,500,000 new arrivals came annually. That number is close to 4,000,000 "legal" admissions every year — plus millions more illegally. It is estimated that there are well over 3,500,000 illegal immigrants now living in the United States.

Laredo, Texas, is only 5% white — Honolulu is only 30% white — Miami is only 48% white — Los Angeles is less than 50% white.

Fewer than 50% of the people living in the following states were born there: Washington, Oregon, Idaho, Wyoming, Nevada, Colorado, Arizona, New Mexico, Alaska, Florida, Maryland, and New Hampshire.

Wealth Distribution

The top one-fifth of our white population has an average annual family income of \$111,770. For the top one-fifth of blacks, it's \$47,160 — and \$58,731 for Hispanics.

The middle quintile becomes very meaningful — it's \$28,044 for whites, \$8,461 for blacks and \$6,695 for Hispanics.

The lowest quintile indicates \$4,324 for whites, zero for blacks and \$377 for Hispanics.

Average income is close to \$40,000 per annum in Connecticut, Alaska, New Jersey, Maryland and Hawaii. It's close to \$20,000 in Kentucky, South Dakota, Louisiana, Arkansas, West Virginia and Mississippi. In New Hampshire 6% of the population lives below the poverty level. It's 25% in Mississippi.

We're Getting Older

Americans are disproportionately old. Nearly 13% of the world's population over 80 years lives in the United States. When the 20th century began, the average American had a life expectancy of 49 years. The chance of surviving to 65 was 41%. If you were born within the last decade, you're likely to live to be 75. The odds of making it to 65 years of age are now 80%. There are over 3,000,000 Americans age 85 or older. 36,000 Americans are over 100.

Where Are We Going?

The nation's population will be 400,000,000 by the year 2050. A lot of this increase will come from the Hispanic community. The number of annual births will be around 4,000,000. Current annual immigration should average around 900,000.

By the middle of the next century, one in five Americans will have come to the United States since 1990 or be a child of those immigrants.

By the year 2000, the proportion of whites among America's children will shrink to less than two-thirds — it is already less in Texas, California and New Mexico. By the middle of the next century, no ethnic group will constitute a majority.

Within the next 20 years the number of Hispanics will surpass the number of blacks. Whites will become a minority group around the year 2050.

Cities will spread and become denser. The suburbs will dominate national politics and popular culture. No longer bedroom communities, these suburbs will sprout satellite centers and become more middle class.

What Does It All Mean?

If you're in the New York local trucking business, you're in a stagnant business. If you move to California, you're in a growth business. If you change from being a local New York trucker to one who specializes in New York to Florida trucking, you're in a booming industry.

If you're creating products to teach immigrants how to speak English, you're in a boom business. If you're creating product specifically for the Hispanics, you're in a boom business. If you're opening day care centers, you're in a boom business.

Each business owner should look at these "facts" as opportunities. There are whole new industries that will have to spring up to meet the coming changes that are going to take place. Other business owners are going to simply die... or face a living death.

You should look at this body of information and decide whether your business vision fits in with the "numbers." Are you located in a place people are moving into or out of? Are your products and services focused on fast-growing segments of the marketplace? Or are you still fighting to make a living by grabbing an increasingly higher percentage of a shrinking market — just to stand still?

If You Know a Company That Is Going Out Of Business, Buy Their Customers and The Right to Fulfill on Orders

If you know of anyone who is just keeping his or her business floating only in order to avoid bankruptcy, approach them and let them know there is an alternative that will not only avoid bankruptcy, but also make them a profit.

You could go to them and say, "Look, right now you have six employees, you have this huge overhead and all this equipment, but you're not making any money and it's getting worse and worse. I'll come in and buy your customers and integrate them into my own business. If I need any of your equipment, I'll buy it from you at market value."

If I don't need any, I'll help you sell it. You have a facility you pay \$5,000 a month rent for. I can find somebody who will gladly pay \$3,000 of that. You'll pay \$2,000 (the difference in rent) for subsidizing somebody. I'll operate my business out of your facility and write you a check for \$10,000 a month. So you'll still make \$6,000 a month for simply letting me run my business, to my customers and yours, from your facility."

Or, if there are 20 companies you're competing with, and you know that three of them are really strong, but you don't know anything about the other 17, I would take the assumption that they're doing badly. Write letters to them saying, "I know things are tough. I know you're evaluating whether you want to continue in certain lines of business."

But before you consider going under or liquidating a division, consider this alternative.” Then explain to them the above proposal. Just make the assumption that they might very well be interested, because you’re playing the law of averages here.

Before the company actually closes, work a deal with them to buy out some of their remaining assets. Buy their customer list. Buy their remaining stock if it’s applicable (and easily sellable) to your customers. Buy any unmet fulfillment orders. Buy their telemarketing services — they already have the leads in the database.

Finally, buy any hard assets from them — any office supplies, products, machinery, services, etc. See if you can get the employees, too.

Once your now-defunct competitor relinquishes his old phone number to the phone company, buy that phone number. Or, if you don’t want to pay for a phone number, and you know of a rival company that is about to close its doors, see if you can arrange with them and your phone company to get their phone number once it’s been retired.

That way, when people see that company’s number in an existing ad, or the Yellow Pages, or already have it on hand, you’ll get the call.

Service-related companies are easier to buy than product-related businesses. Although service companies may seem like a chancy buy, these are actually some advantages to buying one of these businesses.

For starters, they often sell for less than a manufacturing company would (all earnings being equal). And, with a service business, you don’t tie up your money in expensive capital equipment or facilities.

How are these deals financed? Of course, you could go to a bank; however, obtaining a loan for a service company buy-out oftentimes proves futile. Or, you could be more daring — consider going to a finance or venture group.

You should keep this advice stored in your memory bank because, as malicious and self-serving, many small companies will be looking for backing, if not out-and-out buyers, in the coming months.

Restructuring the Customer Capturing System and Database How to Capture Customer Names

Capturing customer names is very simple, but most businesses simply don't ask for them.

All your client's salespeople or clerks have to do is say, "And what's your name? What's your address? What's your city?"

Ninety-nine percent of the customers will reveal it if they are simply asked. Just act like that's standard operating procedure. Have everyone at every point of purchase — your client's staff, clerks, whomever — do that. Or, if it's too busy for them to ask, have the customer fill out the sales slip while the sale is being rung-up. Just have the salespeople hand it to them.

Be sure to have salespeople take the time to delineate and indicate vertically and specifically what subject matter, products or services the customer is buying and the kind of price points sought. What they were interested in. If that's impossible, get their phone number from the charge card.

Every charge card today, almost, has gone to where businesses make you put your phone number on the charge slip. I bet none of the operating merchants in retail businesses ever capture those. If you are trying to build a list from past charge slip copies you can contact different services that translate the phone number to an address.

You can use a Criss-Cross directory if the number is local. You can go to an outside service if it's not. You could have a contest where customers register. You could use a guest book that customers can sign (be sure to say please print).

I believe, as you know, in direct response that everything should pay its way. But the truth of the matter is just keeping your client's name in front of people gives him such an advantage over his competitors who don't. It's unbelievable. Once you know your client has a working database, it's simple. Sit down, write a letter and punch three buttons on the computer.

Segmenting the Customer List

Lists can be segmented in multiple ways. You may want your client to maintain his database by all customers. Or perhaps only by active customers, or by recent customers. (In other words, when they last purchased.)

You may want to segment it by product purchased and/or dollar volume spent. You may want to segregate it by multiple purchases; how many times they have purchased. All of those things are different criteria that may lend themselves to different kinds of promotions you want to do and different kinds of utilizations you want to have internally and externally.

Add to those the almost limitless categories of age, sex, etc. You can use them in all sorts of unique ways. You can amalgamate them in all sorts of different progressions and you may want to be able to segment them all those different ways or any combination thereof because you never know when you might have a definite need for them internally, or through some joint venture, or host-parasite deal.

Fully Utilize Your Customer List

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

Retailers should try to capture each customer's name and address, the dollar amount of past purchases, the number of past purchases, specific products or services the customer bought or is interested in buying, total dollars spent, specific interests of the customer, where the customer lives, etc.

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

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

You can send out personalized, direct mail promotional letters, instead of wasting your time and money mailing to a general resident list. A general resident list is an ineffective, untargeted, shot-in-the-dark waste yet that's the main promotional thrust most naive business people opt for.

By sending out a special, "preferred customer" mailing to people who are familiar with your business, you can be sure you're reaching people who are interested in what you have to offer and you'll make a profit.

In your promotional letters to your customers, you can offer goods and services that are not stocked, "preselling" all kinds of merchandise before you invest a single dollar. You can take deposits from customers, or they can prepay the full price.

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

And, if you know a lot about each customer, you can gear specific letters to specific segments of your customer base, offering them the precise type, kind, or subject matter of products or services you know the customer is most interested in.

Let's say, for example, you have a shoe store, and you know that 100 of your 1,000 customers are women who buy an average of two pairs of shoes each time they come in, and they always buy the hottest, most fashionable shoes you sell. You could write a simple letter, exclusively to these 100 women, offering them either the newest shoes that have arrived, or offering them a chance to prepurchase some exotic shoes before they even get to your store.

Chances are, if your letter is crafted correctly (and I'm providing a compendium of proven sample letters in this section), your letter could sell as many as 33 or 50 of these 100 women a pair or two of shoes. And if the average woman purchases two pairs of \$50 shoes every time you mail to them, you'd add \$3,300 in additional sales to your business every time you mailed out 100 letters and conceivably a lot more if 50 people bought instead of 33.

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

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

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

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

Reactivating Old Customers & Clients

I've got a question. *Why in the world would you possibly want to go outside and spend a lot of time, effort and money trying to attract, generate, convert and establish new customers or clients until you have first focused a fraction of the effort, a tiny fraction of the time, and a millimeter of the expense trying to preserve and regenerate old, inactive customers?*

There is a term in business called "attrition." Attrition is a term that refers to the percentage or level of former customers who cease purchasing. They become inactive. Those people don't realize it, but most attrition in most types of businesses occurs for relatively simple reasons.

Either somebody stopped doing business with you because of an interruption at some other element of their life or business practices that had nothing to do with the satisfaction or desire — or lack thereof — of your product or service. They just went away.

They had something happen — they got sick, they had to travel, they didn't have time, or something else occurred that stopped them temporarily. And they had every intention of getting back in the fold and reconnecting with you or your business. They just haven't.

Or they had a bad experience. Unintentionally, I'd like to hope, because I don't think you would be the kind of person who would have sent for this tactical training program if you weren't a man or woman massively committed to contributing extraordinarily superior contribution, service, impact, benefit and advantage to people's lives.

So if you or your product, service or people inadvertently, accidentally did anything to offend, dissatisfy, under-perform your promise to a customer or client, and that client was so negatively impacted that he or she stopped transacting business with you — you have an obligation. You have a responsibility.

You have an opportunity of the highest magnitude to communicate with them... to get them back... to do the right thing... to make it right... to extend yourself and demonstrate just how much better and more qualitative an organization yours really is, how much more you care, and how much more important they really are.

Even though you're not making a dime from them, they may think that if you commit and resign yourself... that if somebody never came back to you again, you're going to do everything in your power to make sure you right any wrong, and that you structure your arrangement and your relationship with them so that the last transaction they ever have with you will be satisfying, profitable and a very positive one — even if they never come back.

You will regenerate lost customers and clients in droves. What follows are a few wonderful examples of exactly how that's best done.

Look at your business. Do you have even a clue how many customers no longer acted? Have you ever looked at that as a percentage, so that you could compare what it really means? There are companies and industries that lose as much as 75% of their customers every year. Can you imagine the difference and the impact it would, could, and should make — if you could only reduce that loss by 10 or 15%?

Cutting your attrition by 20% is just like adding 20% to your bottom line. Why go outside if you don't first maximize what's inside? Listen carefully. It's going to be probably

one of the most easy, immediate, and overlooked, and truly important areas of tactical business conduct you start really focusing on.

Every business, unless you're really unique — and you could be — has attrition. Attrition is nothing more than the customers who either move, stop buying, get perturbed because they had a bad experience, they didn't meet on time, don't come back or buy that, had a problem they didn't get resolved, went to an alternative supplier, went to a different product or service type generically. What happened?

If you look over your customer list (presuming you have a customer list and you've maintained it for a long duration of time) you will see that you probably, through attrition, have lost a not-inconsequential amount of customers. And in any kind of a business, losing many customers is consequential.

The trick is, with half of the customers you lose, you have abandoned them, they haven't really abandoned you, for a couple of reasons. If any of you have ever had something happen in your life... let's say you took yoga lessons from Warren... or let's say you took swimming lessons from Joe... or let's say you bought an ice cream from the gentleman who is up here every Friday — but something happened.

You're out of time. You had a death in your family. You had a business problem. You got sick. Something happened where you stopped doing it for a while, and then you didn't start up again, not because it was something you didn't want to do — you just got out of habit.

Has that ever happened to you? Do you think that maybe if someone would have helped you nurture so that you would get back in the habit, you actually not only would have responded, you would have appreciated it that?

So let's say you were doing something and you couldn't afford — financially or time-wise — to keep doing it, but you could have and you would have liked to find a lesser way to do it. Spending less, doing it once a month instead of once a week. Does this come to mind?

I submit to you that you have an obligation to help old customers rehabilitate the relationship with you and come back and rejuvenate it, because they really want to. You have to have them want to. You have to have them stop for no good reason.

The other half stopped for a good reason, but half of those people will call and you will engage them and say, “You know, I’m really worried. You haven’t been back and I’m worried for two reasons. 1) Something has happened to you, or 2) We’ve done something to you. Either way, it concerns me. Can I just ask you? Why haven’t you been back? Is everything OK in your life? Is everything OK in your business?”

Well, first of all, if it’s not, they’ll tell you. And there’s probably, in 80% of the time, some way you can do something noble and beneficial for them, in the process regenerate a buying relationship.

If they had a terrible experience with you, that’s market research. It will help you A) Do what I did, and hopefully correct this situation next time. B) Help you understand what they see as critical issues vs. what you think is important. C) Help you really identify the salespeople or sale support people who don’t work, or customer service, or accounts receivable people who do things, or quality control problems.

So it’s beneficial long term. It will enrich you and help you re-enrich other people. And you’ll connect with them. And everyone wants acknowledgment and to be heard. Part of what we just transpired is you wanted to be acknowledged, you wanted me to recognize and acknowledge that I heard that you didn’t think that was right — acknowledge that maybe you were right and apologize. And that feels good.

There are a lot of options, but the point we’re making is if you lose 10% of your customers a year, you just find ways to stop the loss. Every two years you add 10% to your sales just by doing nothing else, and that can be very profound.

We are trying to show you instantaneous, easy, existing ways to get other concepts that a lot of businesses don’t acknowledge what I call “velocity in motion” and “critical mass.” You have velocity in motion and you have critical mass already working for you, but you don’t take advantage of it.

A lot of people say, “Well, I guess I’m just going to lose 25%.” I would venture to say that probably half of you — maybe more — don’t even have the slightest idea what your attrition rate is.

You have everything to gain and not one thing to lose by engaging them... by calling them... by visiting them... by sending them a letter... by having your salespeople contacting them.

The worst case is if they are so annoyed, if they had such a bad experience, if all you do is say, "I can't make up for that. I was in a different place, I was not doing what I should have done," or, "I was out of town," or, "The person is not here but it's still my responsibility."

"I can't make up for the past but I can only do the best job I can. I'd like to send you this." Or, "I'd like to do this, I'd like to buy you this." "I don't expect, nor do you have any requirements to ever buy from me again, but I want you to know that we do appreciate the past business you did.

"We value you and we respect you, and we wish you such great success that I don't want the last transaction you do with us to be a negative one. So please at least use this," or, "Let me send this out," or "Let me buy you dinner," or whatever it is, so at least you can say the last transaction I had with their business was a positive one, and a good one.

It's really fun — it's not hard. Trust me when I say, it really works. It really works!

The way you avoid attrition happening is to listen, and hear, and be connected to them continuously throughout the process. That's easy to do if you enjoy them. That's expected of you if you care about them and their well being.

It's a natural thing you would do for any other important friend that you had. And they're just as important as any private friendship in other aspects of your life. So it should become a natural and easy way of doing business.

Depending on the kind of business you operate, that could manifest itself in that you send frequent letters. The letters are not about you. They are about them. You tell them things, you educate them, you inform them, you alert them to new developments, new opportunities. You tell them about things that are happening.

The fact that you're celebrating your 50th year in business is inconsequential. The fact that for 50 years you and your father have been protecting people, and in celebration you're working out new ways to get even more value and you want to tell them about some new

developments and what you're doing about them, may have a lot of value. It's not about you, it's about them — it's about them — it's about them.

Communicate often. Communication can be by phone, or can be you visiting them. It can be, if you can't do it, a call from a secretary, or a person who becomes an assistant. There are tons of things you can do. But you owe it to yourself to communicate often. The more you communicate, the more you can help.

I suspect that half — maybe more — of your customers aren't being allowed to purchase as often or as much as they could and should, for their own benefit, not yours. That becomes easy to do when you're there for them and they trust you and they know you care because of frequent communication.

If you're really committed to the three things we've talked about — to enriching peoples' lives at the highest level possible; to constant never-ending improvement (which is the embodiment of what Deming teaches, the concept of having a standard and then exceeding it); and testing. It's not only that it's not bad — it's necessary!

You've got to keep getting feedback — even if it's a little shocking, even if it's a little unpleasant, even if the world isn't paying homage every moment to you. You've got to say, "Well, what's the opportunity? What can I learn? Where's the constructive insight that I can build on?"

If you look at it that way, you're the beneficiary. Every negative that occurs in your life, almost, is enriching you. If you look at it as the world telling you, "This approach isn't getting you the maximum outcome," why don't you try something different?

Delivering higher than expected levels of service. Awesome service — it doesn't mean anything. Define it on an active and transactive basis from the customer's perspective. Because it doesn't mean squat. You're deluding yourself.

You guys are deluding yourself if you're uttering the mantra "awesome service," because it means nothing until you can define and describe it to transactional issues that are going to empower, and be valued, and increase the result and the benefits for the customer. Everything else is a joke.

The other thing you have to keep in mind is you want to be able to do this, because you are in the business of doing this, without raising your cost. Anybody can deliver \$1.20 worth of service for \$1.20, and not make any money. If you charge \$1 however, you've got a problem. You've got to be able to deliver \$1 worth of service, and have it cost you \$.80. That's where a perceived value is an invitation.

Here's a tip: *The Donnelley Directory* (Yellow Pages) have computerized master lists of every published telephone number, home or business in America.

They can use their computer to "pass" these numbers. Contact Donnelley Information Publishing (a Dun & Bradstreet company) at 70 Seaview Ave. or P.O. Box 10250; Stamford, CT 06904 (203) 353-7000.

Here are other ways to get those important names and addresses:

1. Ask for people's business cards.
2. Photocopy their personal checks (which usually have a name, address and even a phone number).
3. Ask for an address on all charge slips.
4. Hold other contests as an excuse to have people fill out little cards.

You're only limited by your imagination. Just remember that you must:

1. Capture the names and addresses of all of your customers.
2. Systematically contact all of your customers and ask them for more business.
3. Offer a reward when you ask for more business.

Contacting New Customers

"OK," you may be saying, "that's fine for people who've already come to my business. What about all those other people who haven't come yet?"

You can use the same basic approach with them too. Instead of collecting their names and address on the premises rent a mailing list.

The beauty of mailing lists is that you can select the kinds of people you want to contact. For instance, most list-rental companies can provide you with a list of:

- Only those people who live in the same zip code as your business, or only nearby zip codes
- Homeowners
- Apartment renters
- Business owners
- Specific types of business owners (hardware stores, paint stores, auto dealers, drug stores, auto repair shops, etc.)
- Executives
- Insurance agents
- Doctors
- Lawyers
- Dentists
- Registered nurses
- Accountants
- Engineers
- Pilots, real estate agents, brokers, schoolteachers, contractors, pharmacists and on and on, etc.

You could even get a list of people who own swimming pools.

For local mailing list brokers, consult your Yellow Pages under “mailing lists.” If you don’t have any luck there, try these companies listed below, which can provide you with lists no matter where you live:

- R.L. POLK & COMPANY 6065 Atlantic Boulevard, Suite. E Norcross, GA 30071 (404/447-1280)
- DONNELLY List MARKETING 70 Seaview Avenue Stamford, CT 06904 (800/433-5478)

Renting a mailing list isn’t very expensive. It usually costs about a nickel per name, which includes mailing labels in whatever form you want them (e.g., single column, four across, etc.).

You don’t own these names. You usually rent them for onetime use only.

Of course, once you get responses, they become your customers, and therefore become your names.

Now that you have some names, you can write letters to those who’ve never tried your product or service.

Focus Your Efforts

By collecting and using this data, you get the greatest yield for the least amount of human and financial capital. You can concentrate your sales efforts on the prospects with the highest probability of buying.

By focusing your efforts — that is, your sales letters, your salespeople’s time and your ads — on these market segments identified as potentially highly responsive, you’ll get a significantly better yield for your time, effort and money.

Everything we’ve discussed — the data collection, building a database and using the results to target your marketing — can be used equally well to sell to your existing customer base.

Even if you don't want new customers, you can use these principles to get existing customers to buy larger quantities, more frequently or in special packages.

Later we'll talk about how to sell more effectively and profitably to those existing customers. Till then, promise me you'll start finding out as much as you can about the people who already buy from you. You'll make more — and spend less — with this approach!

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

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

See for yourself... It cost \$100 or \$1,000 to acquire or generate that customer in the first place... but only 60 or 70 cents to mail them a powerful and personal letter once you've captured their business.

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

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

Your Most Important Asset Is Your Customer List

Your core asset is your list of current customers and past customers. If the number of customers, past and current, totals in the dozens or hundreds, it's easy to keep in touch with all of them by phone or mail. But when your customers number in the thousands, or tens of thousands, this becomes impossible.

You cannot, as a practical matter, mail each and every customer you ever had. Mailing every customer you ever had would create a marketing program that will most likely be unprofitable.

If you do not create a methodology that permits you to access profitable segments of your customer list, you're losing your primary marketing vehicle. Nothing is worse than not building a customer list you can access by various criteria. You cannot afford to lose the ability to market to this list.

Simply restated: Your best mailing list is that of your current and previous customers. However, if you mail each and every one of them, you'll probably lose money. In order to be able to profitably access this list, you need to build your list using specific criteria, which will identify the BEST segments of your list.

The same selection criteria would apply if you were to rent a list of names. You could most probably NOT afford to mail ALL the names on any mailing list to the market — but there are segments of many lists, which you CAN profitably mail to.

How To Look At A Name: The Value Of A Specific Customer

There are basically four things you want to consider when building a database — or renting names from another company.

They are recency, frequency, monetary considerations and specificity.

Recency

Recency simply means when did a specific customer make their last purchase. Your best prospect is someone who just purchased. In the mailing list business, these names are referred to as "HOTLINE" names.

The name of a person, or company, that purchased from ABC Company in February is typically available for rental to non-competitive companies in March.

Those names would be considered the ABC HOTLINE names. Sophisticated mail-order companies mail each and every month on a hotline basis. That means that in July they mail the ABC June customer list — in August they mail the ABC July customer list.

In December they mail the ABC November customer list — even though that means they are mailing right “into” the Christmas season. Tests have proven, again and again, it’s more responsive to mail these “most recent” names in December than to wait until January. The recency factor is the single most important determination of the value of a particular name — whether it’s from your internal database or the list you’re renting.

Frequency

Frequency relates to the number of times a person or company has made a purchase. In the mailing list business this is called “MULTI-BUYER.” The XYZ Company will make their customer list available for list rental. They will, typically, offer their last 12-month buyers.

However, the sophisticated mailer will not be interested in that last 12-month customer list — they will only rent the names of those people who purchased from XYZ during the previous month (hotline names) If the hotline names work, the next segment to test would be the multi-buyer names. These would be people who bought from XYZ two or more times during the previous 12 months (even if they did not buy during the previous month).

The frequency factor is the second most important factor in determining the value of a particular name — whether it’s from your internal database or the list you’re renting.

Monetary Considerations

Monetary considerations refers to the cumulative amount of money the customer has spent. Obviously the more money a person spends, the more valuable they are as a name. However, in terms of “evaluation,” the value of monetary is not as important in determining the value of a name as recency or frequency.

Specificity

Specificity is the specific product or service the consumer bought. If this list is for a department store, it would matter if the person bought male clothing, female clothing, a sterling gift platter or cosmetics. If you’re selling a ladies’ raincoat, you want the names of buyers of female clothing as your primary list — and if that’s super-successful, then test the cosmetics group, etc.

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 pieces of the puzzle. You have to know who your audience is specifically and you have to know generically.

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 that you wouldn't have that list acquired.

If you look through your customer list and you 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 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 that 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.

If you're business to business, you can go to all kinds of different complied 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

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 backend 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.

I once worked on a publication that we published for CEOs and Directors of Boards. It was a very expensive \$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.

Anytime you can get a list where people have extended themselves by some action, where people have called in 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 here 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 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 that 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.

I'll tell you Gary Halbert's story because it's appropriate. There's a gentleman that 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 paraphrases this and I think it has a lot of clarity. None of this is hard — it's just logic that you have never given yourself permission to do.

He was doing a program with me 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, in 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 I think you should think about why you would 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 but you just don't have enough of them identified, then identify them.

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

Offer A Consideration To The Host For The Benefit Of His/Her List

First of all, it's usually necessary — when you're the beneficiary — to offer the other guy's customers special inducements because of the relationship between you and his company.

For instance, in order to really garner the customer's trust, you may have to give a longer guarantee or more product options or a lower initial investment. This overcomes their natural sales resistance and it helps make the host company look good in the eyes of its customers because it's offering them a special deal.

In deals like this, the payoff is always negotiated. There are no hard and fast rules for who gets what. Usually the beneficiary company pays the marketing costs and gets repaid off the top. Both sides share in the remainder of the revenue. In some cases, the two sides split the marketing expenses and split the revenue.

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

If you wanted to be the host you just turn the tables. The first thing you would do is find companies with products or services that your customers would want to buy and then you negotiate a host/beneficiary deal where you give your endorsement to their products or services in exchange for a percentage of the profits. Again, this percentage is negotiated and so are the expenses.

However, when there are residual sales, you want to get the largest percentage of the profit. For example, you could go to a company and tell them that you'll allow them to market their product or service to your customers and you'll give them an endorsement and pay all or half of the up-front marketing costs and you won't take any percentage of the profits on the first sale. All you want is 25% or 50% of the profit from all the residual sales that company makes to your customers.

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

My wife has a skin care salon. She went to a neighboring hair salon with the following proposal: We'll send a mailing to one another's customer list endorsing the other's business. We will give a number of special gifts and incentives to encourage these new customers to come in.

For the cost of a small mailing we can each generate a number of new clients. Inexplicably they turned the idea down. It now appears they are going out of business. It's no wonder

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

Another possibility for additional income is a straight rental of your customer list or prospect list to direct mail companies. Many companies make big money through list rental.

Mailing List Rental Is Another Income Generator

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

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

Generate Income From Your Mailing List

How do you do it? You can simply create a mailing piece giving details about your list, mail it to the list brokers (whose names are readily available out of Standard Rate & Data's Direct Mail Lists, Rates and Data) and sit back and wait for the orders to come in.

The broker will bill the renter on your behalf and when he receives payment from his client will remit to you less a commission of 20%. CAUTION: List brokers are frequently slow in paying for rentals. They blame it on the fact that their client didn't pay them but we have documented dozens of cases where the broker has taken weeks after he has been paid by his client to remit to the list owner.

The broker takes no liability for collection of the bill. If (and when) he gets paid, you get paid. If he doesn't get paid, it is your problem. Thus, it is important that you exercise credit approval on his client and do not hesitate to ask for "cash up front" if you doubt the credit worth of his client.

Most brokers are reputable and will (eventually) remit to you after they've been paid. All promotion and sales activity rests on you. Brokers will phone you for information and requests for clearances.

The second way to rent your mailing list is to put it in the hands of a mailing list manager. You can either furnish him a computer tape of the list and he'll do all the work for you or you can simply send him raw data (inquiries, orders, etc.) and he'll computerize and maintain your list for you.

Obviously, he'll charge you for his computer time and keypunching. If you send him your tape, he'll charge you the running costs for producing labels or dupe tapes. Or, you can retain your tape at your present computer service and he'll send you orders that you can produce and ship.

If you're already busy and don't have time to devote to selling effort on your mailing lists you'll probably want to put the list into the hands of a list manager. There are a number of good ones that would be delighted to submit a proposal to you if you'd like to consider using a list manager to market your list.

The list manager normally adds 10% to what the broker already gets (20%) plus charges for his computer time at his cost or on a fixed schedule of fees.

The list manager takes the headaches out of running your list business — he handles all selling effort, inquiries, the furnishing of accounts and the producing of orders, billing and collecting.

You won't get paid much earlier from the list manager (in fact, probably an additional few days will be added for the processing in his office), but you'll be able to break into the list business much more rapidly.

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

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

If your list is 50,000 names and you rent for \$50/M using the above formula at six rentals a year you'll NET \$7,500 on your list for the year. Build your list to 500,000 and you'll quickly see the potential.

Testing Can't Be Stressed Enough!

You probably use direct mail to inspire people to:

- Come immediately into your store.
- OR call your order desk.
- OR send a coupon so that you can call back or send a salesman.
- OR send a check or charge card order.

Using the same principle as in testing display advertising, do an "Nth-name" A/B test. An "Nth-name" sample, if you've forgotten, is a theoretically perfect cross section of the quality of the list you're testing.

Before you mail to 100,000 untested people and spend \$25,000 or \$40,000 in postage and printing, do a 5,000 "Nth-name" test sample of one version of your mailing piece against another.

Test the same mailing pieces with two different headlines. Repeat the headline on the outside of the carrier envelope. Try different body copy with the same headlines. Try different orders.

Try different physical components, along with the basic sales letter: such as a folded "read me" note — or an accompanying brochure — or a reply device with a postage-paid reply number — or a coupon, etc.

Test as many things as possible in the smallest possible arena before you risk a big part of your advertising budget on one expensive marketing approach to a large audience.

Why guess what the market will welcome, or what price they're willing to pay, when the marketplace is willing and even eager to tell you the answer?

Four Key Rules Most Direct Marketers Overlook

1. Nobody will respond to your client's mail unless they read your client's mail.
2. Nobody will read your client's mail unless they open your client's mail.
3. Nobody will open your client's mail unless they receive your client's mail.
4. The Post Office will not deliver your client's mail unless your client's mail is delivered to the Post Office.

Here are more ideas and tips on a variety of topics, some of which we've covered (but which bear repeating) and some you may not have thought of yet:

Mailing And Postage

- Mail to your customers more often. If you are now mailing four times a year, increase the number to six or eight times a year. If you increase your number of mailings by 25% you should increase your sales by approximately the same percentage — maybe more.
- Re-mail your mailings to your better customers three or four weeks later. You should do 60-75% as well on the second mailing as you did on the first one. Why do you see the same junk mail in your mailbox over and over? Because it keeps working. Run programs concurrently to appeal to different market segments. Keep sending what works, and until you have something better by testing, don't change it.
- Mailing every business day for six days proved very successful in selling big-ticket equipment and service orders for one industrial supplier.

- Try mailing every day for a week — or three mailings three days apart with an immediate follow-up by telephone.
- Test bulk rate third-class postage against first-class.
- Using one-cent stamps — and lots of them — on your envelope increases attention, interest.
- Make use of U.S. Postal Service “How to” films, publications and checklists.

Media

- Coordinate your direct mail advertising with your advertising in other media
- Occupant mail containing coupons has out-pulled coupons in freestanding newspaper inserts more than 2 to 1 for some retailers.
- Check co-op postcard mailings as a source of low-cost leads.
- Use the space inside your merchandise cartons for special promotions.
- In addition to reducing mailing costs, package inserts offer such advantages as: distribution is restricted to currently active mail order customers... information concerning customer characteristics permits selection of those who have characteristics of good prospects for your merchandise...

...implied approval of the merchandise described in the insert by the company shipping the packages creates confidence in the prospects in the merchandise and your company... if the person receiving the package likes the merchandise it contains, he may be more inclined to order the merchandise described in your insert than if he received the insert in a separate mailing...

...if he is not satisfied with the merchandise in the package and decides to return it, he may seriously consider spending all or part of the money saved on that purchase to buy one or more of the products advertised in your insert.

Distribution

- Addressing prospects by title instead of by name offers major advantages.
- Buck slips or pass-along slips containing the titles of persons in the company or organization who should see your mailing can vastly increase its circulation.
- Pass-along request on the envelope, in the postscript or on an enclosure may salvage duplicate or misdirected mailing packages.
- Make more sophisticated use of your own list and the lists you rent or buy by looking for those segments of people in a list who buy... and forget the others.
- Test selective distribution to your list. Some mailing should go to the entire list but it may be profitable to send additional mailings to selected portions of the list.
- Investigate the desirability of participating in co-op mailings. Test an arrangement for including some of your mailing material in the envelope of another mailer and permitting him to include some of his mailing in yours.
- Simulated “tear-outs” of newspaper stories bearing a brief notation in simulated handwriting attract attention and increase readership and credibility.
- Enclose reprints of newspaper or magazine articles to strengthen believability.
- Use reprints to capitalize on favorable mentions in well-known publications.
- Preprints of company ads are usually more effective than reprints as enclosures.
- Including third-party endorsements in your mailing package can hype sales.
- Letters from two different persons in the same mailing package may increase interest and step up sales.

- Use a second letter in the mailing package to increase impact or make a second offer.
- Including a “Publisher’s Letter” in your mailing package may salvage sales you would otherwise lose.
- Sell different business-related products or services to the same prospect and to his secretary with the same mailings by enclosing a sealed envelope with words FOR YOUR SECRETARY printed in the address area.
- Miniature tip-ins affixed to the mailing piece(s) in your mailing package add attention and interest value and increase readership.
- Insert one or more flyers — on white or colored paper — in your mailing to add extra emphasis to one of the principal benefits you offer.
- Stimulate increasing orders to specified sizes or larger sizes.
- Encourage mailing the order by a specified date or dates.
- Emphasize the cutoff date for certain offers contained in the mailing.
- Describe items added to the line too late to be included in other pieces in the package.
- Present information about mystery gifts you offer.
- Correct errors in other, more expensive pieces in the package.
- Warn of impending price increases.
- Ask for change of address or other updating information.
- Ask for names and addresses of friends of the recipient who maybe interested in receiving your mailings.

- Ask for confirmation of recipient's desire to continue receiving such items as free periodicals and other publications.
- Put in a plug for your prompt shipping service if it is better than average.
- Emphasize telephone ordering service.
- Emphasize acceptance of specific credit cards or ease of opening charge accounts.
- Thank customers for this and/or previous purchases and express your desire to service them even better in the future.
- If you're soliciting memberships, enclose a membership card in the mailing, which becomes effective as soon as the recipient applies for membership.
- If your product or service is bought frequently, enclose an imprinted service item that the prospect or customer can keep until he is ready to place an order.

Follow-Up

Your mailing is out the door and in the hands of your prospects. Now all you have to do is sit back and wait for those inquiries and orders to begin pouring in, right?

Wrong! There's a world of things to do that could make the difference between your prospect sitting on the fence until someone else's offer catches his eye, and taking action on your offer. Here are just a few:

- Remember that most sales are made after several calls instead of during the first one, so follow up inquiries and leads numerous times before abandoning them.
- Use a simulated "carbon copy" of your original letter for a follow-up mailing.
- Use telephone follow-ups to supplement your direct mail campaign.
- Send a special "thank you" letter to new customers as soon as you receive their first order.

- Thank your customers for every order.
- Send a letter every now and then — when no immediate purchase is involved — to thank customers for previous purchases, invite them to order again soon and enclose some promotional material to supplement the invitation.
- Cultivating customers with regular mailings containing special offers for customers only and saying “Thanks” for their previous business is one of your best investments.
- Send purchasers of big-ticket items a follow-up letter reassuring them that they made a good buy to offset possible “post-purchase depression or dubiousness.”
- Keep your customer sold on your products or service after he buys. Send him follow-up mailings to ask how he likes the product... whether he would like any further information about it... and, if appropriate, suggest ways to use it that he may not have thought about or may have forgotten.
- Increase your customers’ goodwill and purchases by sending them advance notices of sales or other special events.
- The New Year season is an especially good time to invite former customers to become active again.
- One realtor builds goodwill by introducing newcomers to the neighborhood by mail.
- If you make a mistake in your printed material, follow up promptly with a letter of correction that also does some additional selling.
- If special circumstances delay or threaten to delay mail delivery, use an insert postscript, simulated rubber stamp Imprint or follow-up mailing to notify the recipient that the cutoff date specified in the original mailing material has been extended to a specific date or for a specified number of days after the mailing arrives.

- If follow-up mailings to a prospect or customer are not generating any response, try sending a mailing to his wife explaining the importance of hearing from him.
- Answer inquiries, complaints and compliments promptly, completely, adequately and with thanks to the sender.
- In replying to inquiries, give the inquirer the information requested plus a strong “sell” about the product plus the name, address and phone number of the nearest dealer or salesperson who can supply additional information if desired.
- If you answer a request within 24 hours after you receive it, include a statement to that effect in a small leaflet enclosed with the information requested.
- When you mail the information requested, include on the front of the mailing envelope some such statement as “Here’s the information you requested” or “You asked for this important information.”
- If information requested will be delayed, notify the inquirer promptly and, if possible, provide other information of interest to him for his attention.
- Send a postcard follow up after a letter. Use quotes like; “Need to sell it all, seasons over, respond before time expires, or order before we run out.”

Fund Raising

To raise funds by mail:

- Be sure to select mailing lists that represent the right market for your appeal.
- Design your mailing pieces to sell your appeal just as other mailing pieces are designed to sell other services or products.
- Explain what your organization is and what it does.
- Explain why your organization needs the money and what it will be used for.

- Acknowledge all gifts received, promptly and sincerely.
- Avoid making your mailing pieces look so expensive that the prospective donor may think you're spending money on promotion that ought to be used to accomplish your primary objective.
- Make it easy for the prospect to respond (name and address label of donor affixed to the reply envelope, acceptance of credit cards, etc.).
- Notify donor between solicitations by letter, newsletter or other format on how his contribution is being spent and the good it is accomplishing so he will be predisposed to contribute again the next time you ask and possibly increase his contribution.
- Test repeatedly (lists, approaches, layouts, numbers of colors, formats, paying reply postage yourself or asking the contributor to pay postage, etc.).
- Ask donors for the names of up to six friends who may be willing to contribute.
- Make your letter friendly and sincere and use the "you" approach instead of the "we" approach.
- Be satisfied to break even on your first campaign to a "cold" list, relying on repeat donations to make future mailings show a profit.
- Seek professional direct mail advice and guidance, especially at the start.
- Consider using direct mail specialty formulas.
- Feel free to borrow good ideas of other mailers and adapt them to your use.
- Realize that the consistent and skillful use of direct mail over a long period of time will be much more productive than short-term or spasmodic use of this powerful medium.
- In fund raising mailings, tell prospective donors how much can be accomplished with contributions of various amounts (including small amounts).

- If administrative expenses take a very small percentage of the total income from your fund raising campaigns, point this out — in specific terms — in every mailing.
- One fund raising organization affixed two pennies to its letter to dramatize how it holds administrative costs to a minimum.
- When one marketer offered to send a contribution in the recipient's name to a well-known health organization if the recipient would fill out and return a short questionnaire, almost 65% of the recipients responded.

Offers

- Include more offers in your mailing package than you are at present. Study the mailings of firms such as Haband Co., which packs a volume of material into its envelope.
- How many offers can you include profitably in a mailing package? Only testing can tell.
- Include at least as many offers or promotion pieces in your mailing package as necessary to bring the weight of the package up to the weight you're paying postage on.
- Try to develop new, more effective wording for your standard offer(s) instead of repeating the same wording in every mailing. For example, offer a "baker's dozen" instead of twelve... or sell 110 instead of 100.
- A special "We care" offer may increase the effectiveness of your mailing.
- Make your free trial period long enough to impress the prospect with the quality of your product(s).
- Offering a longer trial period than usual may convert more borderline prospects into customers.

- Promote seasonal products during off-season periods and offer alternate selections.
- Stimulate off-season business by asking for it. If you normally have a summer slump, have a special “summer sale” mailing in the summer. You can boost your sales any time of the year you need a boost through effective direct mail.
- Offer to defer the billing of Christmas purchases until the following February.
- Occasionally offer your prospect the opportunity to determine how much he wants to spend on your product, service or publication subscription.
- When you ask customers to send you the names of prospects offer to provide specific benefits to the customer if he complies. Also, offer potential benefits to both the customer and the prospect if he complies.

Printing and Typography

- Get to know your printers — not printer, but printers. Every direct marketer needs different types of printers with different capabilities to come up with different printed pieces at the best possible prices.
- Get several quotations each time you buy printing, envelopes, lettershop service.
- Save money on inserting by bringing your printer, bindery and lettershop together to work out the best solution before you print.
- Cut printing costs by purchasing printer’s waste or trim stock.
- Color-printing specialists may be able to print your mailing pieces color at a surprisingly low cost.
- Ink Jet image printing has boosted response for numerous marketers.
- Scented ink can add a lot of sell-power to mailings for certain types of products.

- Upgrading the quality of paper used has substantially upgraded the effectiveness of some mailings.
- What is your “wastebasket readability factor” and what can you do to get people to read your mailing piece when it is sitting on somebody else’s desk or has already landed in the wastebasket? One marketer improved this readability factor appreciably by printing his self-mailers on fluorescent orange or bright yellow paper with an accompanying increase in response to the mailing.
- Use lightweight paper to save postage and allow you to put more in your envelope.
- Select a folding arrangement that will enable you to use all available printing space most effectively.
- Avoid setting copy in extra-wide lines or all capital letters with no heading between lines.
- Use display type in unconventional arrangements.
- Make a printed letter look as if it were typewritten instead of setting it in regular printing type.
- Use oversized typewriter type to start your letter. Try oversized typewriter type for letters to senior citizens.

Products

- Look for other products you can successfully sell to your customers.
- Thinking about promoting a new product? First, ask your customers if they would be interested in such a product — in order to more accurately estimate the product’s potential profitability — or lack of it.

Sampling

- If your product can be sampled, test its selling power as an enclosure in your mailing package.
- Enclose a sample of your product, if practical, and suggest ways for the recipient to test it for himself.

Special Occasions

- Major anniversaries provide excellent opportunities for special promotions and image enhancement.
- Capitalize on principle holidays and other widely celebrated special occasions.
- Tie in with a timely topic (current events, special problems, etc.).
- Ride on the coat tails of current events (energy crisis, elections, cold winters, etc.). When inflation increases sharply, have an “inflation-fighting” special, etc.
- Moving time for a business is a good time for direct mail contacts by present and potential suppliers.
- Send new stockholders a letter of welcome from the president of the company.

Specialty Advertising

- Carefully selected specialty advertising can send sales soaring.
- Enclosing foreign coins in a mailing has doubled response for some marketers.
- Use mini-coins to dramatize the effect of inflation.
- “Stretch-Your-Money” promotional coins dramatize savings and low prices.

Show Me The Money!

It goes without saying that the reason for your direct marketing campaign is to make a profit. If you're a nonprofit organization, your goal is to collect a certain amount of money or to reach a certain number of people and stay within your budget, so the numbers are of vital importance for you, too.

And if you are trying to determine whether a certain product or service is ripe for direct marketing techniques, working out the dollar figures involved will give you a good feeling for the feasibility of the project you're considering.

There are several measures of direct mail efficiency that will be of great benefit to you. Use them as benchmarks, as projecting tools and as indicators of failure or success.

Cost Per Thousand

Most direct mailers measure the cost of their mailing programs by "cost per thousand" — in other words, the complete cost of putting 1,000 packages in the mail.

Let's say you are planning to sell a course on interior decorating by mail. Here are some of the costs involved, which would figure in your cost per thousand. This may not cover every last cost your firm might incur, but it will give you a very good start at budgeting your cost per thousand. For purposes of this exercise, we will estimate cost per thousand (CPM) to work with.

EXPENSE	EST. TOTAL COST
1. Layouts/Artwork	\$720.00
2. Copy	\$960.00
3. Typesetting/Keyline/Paste-up	\$1200.00
4. Color Separations	\$140.00
5. Printing	
a) Brochure (100M)	\$7200.00

b) Letter (100M)	\$2400.00
c) Order Form (100M)	\$3000.00
d) Outer Envelope (100M)	\$2400.00
e) Business Reply Envelope (100M)	\$1200.00
6. List Rental (100M names averaging \$60/M)	\$6000.00
7. List Preparation/Merge Purge	\$1200.00
8. Mailing @ \$24/M	\$2400.00
9. Postage @ \$100.80/M for bulk rate	<u>\$10080.00</u>
TOTAL	\$40,200.00

If this mailing consists of 100M names, the cost per thousand is \$40,200/100M or \$402 per thousand. Let us look at each of these entries to clarify what they might include.

1. **LAYOUTS/ARTWORK** — If you are creating a new mailing “from scratch” you will need layouts and perhaps photography and illustrations. If you do not have a layout artist on your staff, you will need an outside source and the cost will be allocated to the mailing. If you do have a staff artist, his/her work may be allocated to “overhead.” Paying for this help will be a part of the “contribution” to overhead you must figure into your evaluation of the job’s performance.

2. **COPY**—The same holds true for copy as for layouts.

3. **TYPESETTING/KEYLINES/PASTEUP**— These jobs may all be handled by the same source as the layouts or you may have a separate production studio do these tasks. Once again, if you have a production department “in house,” their work may be considered part of overhead instead of job cost.

4. **COLOR SEPARATIONS** — If you plan to do a four-color printing job, you must budget for color separations, which prepare your photography for the printing process. Your art studio can help you find sources for this.

Keep in mind that if the job you are budgeting is a reprint or a slight revision of a previous job, items one through four may not be necessary at all. Or you may have only a small bill for resetting type to update your copy and pasting up the new type in place.

The irony of a direct mail campaign like this is that the heavy production expenses come before you know whether you've got a winning product or concept. Speak to your accounting department about ways to spread out the burden of the original production expense over the life of the project so you can get a good "read" on the product's viability.

For instance, here we have a test quantity of 100M at a cost per thousand of \$402. Of that, \$4,000 or \$40 per thousand, is production expense that will occur only once, assuming the package is successful with only minor modifications required.

Therefore, you should keep the \$O/M burden in mind when you evaluate the test performance — realize that you won't be making real money until you are able to roll out and print larger quantities of the material already produced. Then you will have a lower cost per thousand.

Back to an evaluation of expenses:

5. **PRINTING**— It pays to talk with at least several printers when planning a mailing, especially the first time around. Getting several quotes will give you a feel for what you should be spending — and you may locate a printer who can give you an especially good deal because his/her equipment is compatible with your job.

The printing bill for a test mailing may be extra high for at least three reasons. First, any halftones and plates which need to be made will be costed to this original job. They can be used again when you reprint without incurring additional costs.

Second, the test quantity most likely will be smaller than the roll outs you will plan. In printing — especially four-color printing — the "price breaks" for increased quantities can be very impressive. You might want to get quotes on some large quantities at the time of the test so you'll have an idea of what to expect when planning subsequent phases of the mailing.

Third, the test may include several versions of the job. Each time you change a piece, the cost of printing goes up because of plate changes, color changes, labor costs, etc. Once you

establish your “control” package, your printing will be “straight run” material that is less costly to have printed.

A note about envelopes: It is faster to have stock envelopes overprinted with your indicia, return address and any envelope teaser copy, but is substantially more costly. The budget-wise way to order envelopes is to standardize as much as you can and have them made to order in advance. To be safe, allow six weeks from the time you award the job if you plan to have envelopes made to order.

6. **LIST RENTAL** — If you are using your house file of names for a part of the mailing, list costs per thousand will decrease because those are “free” names to you. It is not safe to use an average like \$50 a thousand unless you have worked out the individual list costs and found that this is the average.

If you order a number of highly specialized lists, your list costs may be somewhat higher than this. You may save on lists by arranging list exchanges — but remember, if you do this, the other firm will be able to mail to your list free just as you will be mailing to its list.

7. **LIST PREP / MERGE-PURGE** — Costs for this function vary substantially and have to do with the size of the mailing, the complexity of the job and your relationship with the computer house. If the computer house does the maintenance on your firm’s list, you should be able to work out some type of volume deal.

The “prep” job normally includes putting all the names you’re mailing in one zip string (i.e., zip code sequence from 00000 to 99999) — or in any number of zip strings according to your test plan. You may also have the names coded, checked against a “nixes” list to drop out the outdated addresses and checked against a “pander” list to make sure you do not mail to people who have asked not to receive direct mail solicitations. There are a number of other services a computer house can perform for you if you so desire, but of course each service adds to the bill.

8. **MAILING** — The term “mailing” here means lettershop service. This includes inserting to your specifications, labeling, sealing envelopes, stamping or metering the envelopes if necessary, bagging the mail, delivering it to the post office and making sure it is accepted and entered into the system. The lettershop may also help you obtain the permits you need, give you advice about methods of inserting and hold inventory for you.

9. **POSTAGE** — In this hypothetical example, we are assuming that you will mail bulk rate. To do this, you must follow a set of procedures spelled out by the post office. In brief, for a bulk rate mailing, your pieces must be in zip code sequence, they must be separated by zip code and labeled by zip code to speed post office sorting.

You must also obtain a bulk rate permit in order to mail at the lower rate. You may save a bit more money by sorting your mail into carrier routes — called “carrier route presort.” This procedure will be beneficial to very large national mailers or for local mailers with heavy concentration in a few zip codes.

It is not worth the savings for those with light penetration among large numbers of zip codes — for one thing, the cost of having the pieces sorted by carrier route must be weighed carefully against the post office savings.

Bulk rate mail does not get delivered as fast as first class mail in most cases. It is wise to allow a good ten days for national penetration — especially if you are mailing from a very busy bulk rate mail center, such as Chicago.

First class mail has more urgency than bulk rate mail, but it is almost twice as costly. You may save a bit by presorting first class mail — again, if you have high concentration in most zip codes. Most mailers find that bulk rate mail serves their purpose best for the general mailings they do — and first class is warranted in the case of messages to customers and some time-dated mailings.

Cost Per Order

Let's get back to the interior decorating course and the mailing at \$402 per thousand. Let us say that we mailed the 100M pieces and received 1,000 orders. That's ten orders per thousand pieces mailed. To obtain the cost per order (CPO), therefore, we simply divide $\$402/10 = \40.20 per order.

This figure in and of itself means little until we plug it into an overall budget including the cost of the product and the minimum amount needed to cover overhead and profit.

A rule of thumb for many direct mail products is that they require a “three-time markup” in order to succeed. Say that our interior decorating course has a basic cost of \$40. A three-time markup would make the retail cost of the product about \$120.

That means that so far we have spent:

- \$40.20 per order on direct mail costs
- \$40.00 per order on the product itself
- \$80.20 subtotal

If we take in \$125 per course, the amount left over for overhead and profit is:

- \$125.00
- (80.20)
- \$44.80

This \$44.80 (or \$44,800 for the mailing) must cover contribution to overhead, shipping and packaging (if not included in the \$40 product cost), returns and any other cost of doing business not included in the product cost or direct mail costs.

Projecting and Budgeting

This example works backwards — it assumes that we already know how many orders we will receive. But with a new mailing, you may have scant information to help you determine what amount of response you may receive. To decide whether to proceed at all and if so on what basis to proceed, it is advisable to do some “worst case,” “best case,” “likely case” projecting.

Say you have sold a course in cooking by mail before and your average sale was six orders per thousand (OPM). (Depending upon the sophistication of your records, you may have average sales figures by season, by list, by product type and so on. Some mailers even do regression analysis to find out how these and other factors work together to affect the results of a mailing.)

To prepare a forecast for your upcoming mailing on the interior decorating course, you may want to use the figure of six orders per thousand as a benchmark — assuming that the cooking course was the most similar product you could find in terms of price, offer, appeal, etc.

Adjust that figure based on what you know about the new course. If it is more expensive, less generally appealing or different in some other obvious way, you may want to adjust the basic 6 OPM figure up or down.

Now, figure out the monetary results if you receive the projected 6 OPM and also for a higher figure (best case) and a lower one (worst case). These figures will have to be compared with your break-even figure (less the amount you need to cover product cost, direct mail cost and overhead before any profit is figured in).

Here is how your projection might look:

- Best Case: 10 OPM — At \$402 per thousand, your cost per order is \$40.20
- Likely Case: 6 OPM — At \$402 per thousand, your cost per order is \$67.00
- Worst Case: 3 OPM — At \$402 per thousand, your cost per order is \$134.00

You can see from these figures that at a \$125 selling price, the “worst-case” results would not even cover the direct mail costs. On top of this you would have the product cost of, say \$40 and your overhead to cover. You might be willing to go ahead, even in this circumstance, however, if you were willing to invest the money in the test and felt confident that subsequent roll outs would bring about a profitable overall picture.

Some complete mailings are done at break-even or actually “in the red,” in order to develop a list of buyers who will be profitable names for the firm over a period of time.

Your firm’s objectives will be highly individual, based upon the amount of capital you have available, your firm’s goals, how long you have been in business, etc. These basic tools will help you to work with your own figures to see how the mailing you’re planning will meet the objectives, which you set.

In order to obtain the figures, you need to estimate break-even, overhead and other important amounts for planning. It is wise to work closely with your accounting department or your outside accountant if he/she is not on staff with you.

Careful evaluation of all costs, obvious and more hidden, will pay off in the long run. Looking at “the numbers” well in advance will help you to make sure you are protected against the irony of a mailing which is successful by all standards except the most important one: profitability.

Questions For Review

How well have you mastered the art of projected expenses and return for your campaign? Here are a few questions to test your understanding:

1. Name the various expenses that contribute to direct marketing cost per thousand (CPM). Try to identify other costs, not mentioned here, which might apply specifically to mailings done by your firm.
2. Which expenses are “one-time” and which are likely to recur with each mailing promotion?
3. If your mailing cost is \$250 per thousand and you mail 50M pieces, what is your cost per order if you receive 750 orders? What is the cost if you receive 1,000 orders?

More Detail on Testing: Scientific Testing For Increased Response

Pick up any newspaper or magazine and look at the consumer ads. Not a single major advertiser rolls out a major campaign without extensive copy and graphics testing. As a matter of fact, general advertisers spend more than \$75 million each year for market research and testing attempting to determine just how the consumer will react to a single ad.

Unfortunately, most consumer advertisers who use the conventional media (newspapers, magazines, radio and television) can only rely on marketing research to determine which ad will pull best. If they wish to test two ads they must do it in two different markets. Hardly a scientific method of testing an ad.

That's one of the things that make direct marketing unique. We can scientifically test copy, layout, mailing lists, mailing dates... just about any factor that we want to test.

Ad agency President James Kobs, author of *Profitable Direct Marketing Methods* (McGraw-Hill, 2nd edition, October 1991) cites a case where 400 direct marketing pros examined eight direct mail packages and not a single one of the pros picked more than six of the eight test winners. Even the pros of the direct marketing business are unable to judge which advertising package the consumer is most likely to respond to.

There are several rules to testing... rules that if broken will invalidate the test and make it impossible to predict (with even reasonable standards of predictability) the ultimate roll out results.

IT IS IMPOSSIBLE TO TEST MORE THAN ONE THING AT A TIME. You can test letter vs. letter or price vs. price. Or brochure vs. brochure. Or package vs. package. But you cannot attempt to test two elements at a time. If you do, your test will be invalid. Probably the most tested components of direct mail packages are letters, envelope teaser copy, price and, of course, mailing lists.

When attempting to determine what to test, look for the areas in your package that you can vary the greatest! Some years ago we were involved in a four-way test for an industrial marketer who was seeking leads for his salespeople and the difference between best and worst of the four tests was nearly 300%.

Obviously, the mailer rolled out the package that had the greatest likelihood of success. We're often reminded that direct marketing can be much like a Las Vegas roulette wheel — but that we can control the odds if we do appropriate testing.

ALWAYS TRY TO BEAT YOUR “BEST” PACKAGE. Never be happy with your best-pulling package — always test against it in the optimism that you can improve on its results. *Kiplinger Washington Letter* has been testing against its “More boom and inflation ahead” letter for nearly thirty years and has never found a roll out package that beat that package. But the firm keeps trying!

MAKE SURE YOU CAN RECORD THE RESULTS ON A TEST MAILING.
Computer list management has substantially improved the control that direct marketers have over

recording the results from their mailings. Any good list broker will help you set up a method of controlling your response and recording it. It simply means assigning a series of numbers (or numbers and letters) to each list used and making sure you receive the label back on your order or inquiry form.

USE THE RULE OF 5s. When you test a list you must make certain you are testing a large enough segment so the results will be statistically valid. A good statistics textbook with a probability table will be of help to every marketer.

But I like a simpler method of testing. If you test quantity X on your first mailing, your next mailing of that segment should be no greater than 5X. In other words, if you test a 5,000-unit segment, your second mailing should be no greater than 25,000 pieces. Your third mailing, provided the second mailing holds up, can expand to 125,000. The fourth could theoretically go to 625,000 — and you should be working in relatively valid segments.

MAKE CERTAIN YOU DO A PROPER ANALYSIS ON YOUR RESULTS. Make sure you analyze the results from your test mailing in terms of your “net dollar return” or contribution to gross profit. After you deduct your mailing costs, don’t forget your product costs, warehouse and fulfillment, shipping, etc.

MAKE CERTAIN ALL TEST QUANTITIES ARE MAILED TOGETHER. Lettershops like to mail daily to avoid having mail bags clogging their traffic flow on their work floor. As a result, on a larger mailing there could be a discrepancy of several days from first drop to final. You should insist that your lettershop drop the entire quantity on the same day to make sure all mailing packages have an equal chance of success. This may take a little convincing your lettershop... but I assure you it can be done.

YOU ARE THE BEST TESTER EVER INVENTED. If you’re new to the job... or have inherited test statistics that were created by somebody else... tread with extreme caution. Some years ago your author purchased a newsletter and with it got very complete records of previous mailings — or so we thought.

Based on those statistics we dropped 280,000 pieces on our first mailing — using modest size roll out quantities on lists the previous owner of this publication claimed success on. In some cases the results held up... but in others we had an absolute disaster. One list of a major business mailer had a 90% fall-off from the records we had inherited on our first drop to that list.

Fortunately, we had only included 25,000 of that list in the overall mailing — but it was enough to hurt. We lost about \$20,000 on the mailing — which for our little company hurt! Believe only the results from your own tests. Any other results are subject to the creator's interpretations and that could lead you astray.

TEST RESULTS ARE LIMITED BY THE LENGTH OF TIME FROM THE TEST UNTIL THE ROLL OUT. If you made a test three years ago the results are no longer valid. You must analyze and make your decisions from a test within a relatively scant period.

Lists change. Consumers change. Attitudes change. Just as everything in this world is changing, you will find that the results of a test will change because of changes in the world. If more than six months have passed from the test until you want to roll out, we suggest you retest.

DON'T TEST PINK ENVELOPES VS. BLUE ENVELOPES. Back in the early 1950s direct marketers spent tremendous sums of money trying to determine what color reply envelopes brought in the most orders. Even the biggest marketers were involved in this testing.

After much statistical reporting, testing and comparing results by numerous direct marketers, the hearty conclusion was that the color of the return envelope had very little effect on response to a mailing. We tell this simply because it is a prime example of testing insignificant items.

If you test at all, make sure the items you are testing are not trivial. Test copy, headlines, brochures, packages, lists — don't test one photograph in a brochure vs. another. Don't test green ink vs. blue ink on the order card.

These insignificant items — if added together might have a very slight effect on your mailing results. But the time and cost of testing these insignificant items would far outweigh any results gained from the testing.

Some Ideas On What To Test

We suggest that for the newer company you first must establish a “control” package so you have something to test against. Developing the control package can be done by creating two (or more) variations of the same package — keeping the brochure (the most costly element) the same in both but changing all other elements.

This becomes a “package” test — Package A vs. Package B. This will help you establish a “control” — whichever one of these packages pulls best you’ll use as the control.

Then we suggest your next test should include either a “copy” test of the letter — letter vs. letter — or an envelope test — change the teaser copy on the outside of your envelope and test a new envelope against your present envelope.

We like to spend time testing letters because a new letter can have a major effect on a direct mail package. A long letter vs. a short letter is one of the first things we like to test. Contrary to what many novices tend to believe, long letters frequently out-pull short letters.

If you’re going to use premiums in your package — as is so often done in both consumer and salesmen’s lead mailings — you’ll want to test various premiums against each other to determine what type of premium brings in the greatest response.

A few years ago calculators were a “hot” premium... then when the market became nearly saturated, calculators virtually died as a premium. In recent months they have made a strong comeback in the form of the business card-sized calculator.

Had a mailer not been continually testing his premium, he could have gone through a pretty dry spell in response because the premium was wrong. Six months from now the situation may be entirely different again. Premiums are a volatile business... and must be tested frequently if you’re going to have continual success.

Sweetening the offer with a premium can have a large effect on response. Every major direct marketer can tell stories about what will happen. I don’t think anybody can top the one, however, that happened to your author in the early 70s while working with a major business machine manufacturer. Our effort was designed to get leads for salesmen and we were dropping millions of pieces of mail a year.

By finding the right premium, we jumped hind-end response from under 2% to over 7%. Our premium was simply an “Idea Handbook” that described the various products manufactured by the company and showed the prospective customer how he could better use the equipment.

Obviously the client was delighted with the results, though the sales force was slightly less enthusiastic because the premium resulted in a looser lead than the previous mail effort that

did not give a “bribe” for a response. The campaign continued for nearly five years — the best indication of its success.

Testing the format is probably one of the most important test items. Should your mailing package be a #10 envelope, 6x9, 9x12, Dartnell self-mailer type format? Should your mailing be in full color or can you get by with two colors? Should the ad have a two-color bind-in card or is a coupon in the ad adequate? Should one of the Response Graphics computerized formats be used for the mailing package?

Every direct marketer worth his/her salt maintains an “Idea file” — samples of what other mailers have done. If you’re going to successfully test, you must be continually on the lookout for new formats that can open the doors for major success.

Envelope tests are equally as important. Most envelope companies are not creative! As a result, it normally pays to buy envelopes from the “low bidder” rather than working with any one particular envelope company. Exception: If an envelope company can provide you some unique format, you’ll want to latch onto them and test some of their formats even if their envelopes cost you a few cents more.

Jim Kobs suggests that a test for a new venture should be concentrated on the two most significant parts of the campaign — lists and offers.

Once you have proved that the product or service is salable by mail (and not all are) you’ll then want to refine your testing and test:

1. Additional lists.
2. Price.
3. Free vs. sample offers.
4. Premiums vs. no premiums.
5. Premiums vs. other premiums.
6. Elaborate vs. simple mailing packages.

7. Four-color vs. two-color printing.
8. Sophisticated computer formats.
9. Bounce-back offers vs. no bounce-back offers.
10. Frequency of mailing to the same audience.

Back in the old days BFTC (Before the Federal Trade Commission) book marketers used to do extensive “dry testing” — put out a mailing to sell a product before the product was actually created. Obviously, the savings to the marketer was tremendous. If the product didn’t sell, the expense of creating it wasn’t necessary. The Federal Trade Commission, however, has put some restrictions on how dry testing can be used. They do not object to the use of dry testing so long as:

- The public will not be misled to think that the books (or products) are already manufactured or will definitely be manufactured.
- Notice of the conditional nature of publication is made in the promotion.
- Notice will be given to those who ordered within four months if publication will not be completed.
- There is no substitution of product — the product offered is the only one delivered.

Few direct marketing firms do as much testing as they should. If they did, they would find that they could improve many of their results by substantial percentages. The major agencies recommend that a fixed percentage of the overall advertising budget be devoted strictly to testing. If you test and continually retest — using the results of your analysis to make further marketing decisions — the results can help a company grow from a small marketer into a substantial one.

“Monday morning quarterbacking” or “post-mailing analysis meetings” are frequently the best-spent time that a direct marketer can be involved in. The author spends 50-60 days a year with clients helping them analyze results from previous mailings and “Monday morning

quarterbacking” previous mailing efforts. It is this effort that can make a company see just where it stands and how it can best proceed to grow.

Replace your current methods only when you have proof something produces a better result. Better results can mean different things — more front-end sales, more leads or customers... or *less* leads or customers but a higher quality of customers.

Don’t screw things up that work, i.e., sales pitches, dollar pricing, packages, propositions, mailings... Keep mailing the same piece until it stops working. They will tell you when they are bored or turned off. Don’t tell them!

I would be blatantly remiss if I didn’t comment that frequently an outside consultant can help a marketer better understand what he has accomplished — or wants to accomplish — through testing.

Testing will help you progress faster than you would through blind mailing based on hunches. Be sure that what you are testing is significant and that you make a valid test (one element at a time). Through ongoing testing, reanalysis and retesting you will increase the response from your mailings. It may seem like a slow process but it’s the only stable one for best growth.

Now Let’s Test The Tester — You!

Take a look at the questions below. How thoroughly have you absorbed the essentials — and fine points — of testing your campaign?

1. What big advantages does direct mail have over other media when it comes to testing the effectiveness of a specific promotional effort?

2. In testing direct mail packages, which components should you test?

3. Which components of a direct mail package shouldn’t you test? Why?

4. What is the rule of 5s? How is it used?

5. Should all direct mail packages included in a test be mailed within the same month, the same week or the same day? Why?
6. How soon after the test is completed should your roll out mailing be made? Why?
7. What is a “control” package? How is it selected? How is it used in a testing program? When should it be replaced by a different package?
8. What is the value of including a premium offer in a mailing package? How do you select the premium to be used?
9. What is an “Idea file?” Why is it important?
10. What is “dry testing?” Is it still permitted by the FTC?
11. Why is it important to accurately:
12. Record the results of each test?
13. Make the proper analysis of those results?
14. How does “Monday morning quarterbacking” on test mailings pay off?
15. Should testing be done once a year, once a month or more or less continuously as far as your promotional budget will permit? Should a definite appropriation be provided for testing?

More Tips To Stimulate Your Creativity

The following facts come from *Direct Mail Briefs*.

1. **TEASERS:** Without telling the whole story, pique the reader’s curiosity. A technique being used by lots of mailers is to have the beginning of the sales letter on the outside envelope, which forces the prospect to open the envelope in order to finish the story.

2. **TARGETING:** If appropriate, target your audience on the envelope (e.g. if the piece is a proposition for Insurance Salesmen, address them on the outside envelope).
3. **FREE GIFT:** If there's a premium or giveaway in your offer, tell your prospect about it on the envelope.
4. **THE OFFICIAL LOOK:** If the envelope looks like it's from the government or an important corporation, it has a better chance of being opened. Boardroom Books has used this kind of envelope successfully for two titles, "Book Of Inside Information" and "How To Beat The IRS."
5. **UNDERSTATEMENT:** An effective technique is to make the envelope plain and the texture rich enough so it won't be recognized as advertising. Bare envelopes, with nothing more than a return address and prospect's address, work best when the mailer has a name that gets immediate attention.

If you are unsure of the impact of your name (i.e., you don't know how recognizable it is or how favorably it will be viewed), a bare envelope with only the prospect's name and address may be more effective.

6. **PERSONALIZATION:** This is really the opposite of #4, but if you're not going the "official/corporate" route, the other extreme is also effective — that is, give the envelope the appearance of being sent from one person to another.

Best: Personally addressed envelope (typed or ink-Jet printed on the outside), rather than a window envelope (which usually has a card with a label showing through the window). Also avoid using P.O. Box for the return address; it detracts from the "personal touch."

7. **LONG COPY.** General rule for any outside envelope is to make sure what you promise on the outside is backed up on the inside. As a rule, overprinted envelopes pull better than bare or understated envelopes.

Here are more from *The Hotletter*:

- Begin with the strongest point or the best promise. Fire the “big gun” first.
- Use an opening that promises the reader a benefit.
- Ask a question that gets the reader to agree with the points in your letter.
- Keep the opening paragraph short Alternate long and short paragraphs. No paragraph should be longer than seven lines.

- After writing the first paragraph, ask yourself “Is that what I’d say after the handshake if I were calling in person?”
- Keep the tone personal, low-pressured, friendly, sincere, informal. Write the way people talk.
- Address the reader as an individual. Fill the letter with “you” references. Pretend you are the recipient and “write to yourself.”
- Don’t annoy the reader — and lose him — by telling him obvious things about his own business. And never talk down to your audience; better yet, “talk up” to them.
- Get news into the message and get to the point quickly.
- Use an occasional handwritten note in the margin (or underline).
- Single-space the copy. Skip an extra space between paragraphs.
- To carry a reader through the entire letter, use conjunctions liberally. They work particularly well at the opening of sentences and paragraphs.
- Use a Post Script — everybody reads a P.S.

- Ask for the order — don't just hint. Tell your audience what you want them to do. Make an offer (and make it clear) and give the benefits of doing it now.

34 Ways To Make Direct Mail Work For Your Customers

Here, in outline form, is a synopsis of what direct mail and direct-response marketing can do for your business:

Mailing To Active Customers

You can try a number of things:

1. Increase demand through suggestions of new uses, personal reminders.
2. Include upsell enclosures on one product or service — they can sell others.
3. Focus on buying habit — reminders, flyers, etc.; keep customers active.
4. Maintain adequate service, which keeps customers active between a salesperson's calls.
5. Pinpoint intensity areas where you want to concentrate on participation and sales.

Mailing To Inactive Customers

6. Inactive-account, concentrated campaigns are very successful in this area.

Mailing To Prospective Customers

7. New dealers, agents, etc., and direct inquiries pave the way for salesmen.
8. Sample distribution is invaluable for introducing new products and increasing sales of established products.
9. To entice prospects, offer more facts and draw inquiries for probable buyers
10. Representatives' calls are follow-ups that help close sales.
11. Shows and demonstrations bring customers and prospective buyers to open houses, showrooms. etc.

12. New territories, customers, dealers, distributors, and prospects help expand territory.
13. Information about new merchandise brings customers into your business to buy.
14. Sales information, attractively illustrated and presented, keeps demand consistent
15. Direct sales are an easy and effective way to increase annual sales.
16. To keep prospects interested, you need contact between the initial contact and the final sale.
17. You must build familiarity, so that your product or service becomes well-known and favorably thought of.
18. Solicit special groups because these are small but important sources of customers or prospects.
19. To get your product or service endorsed, give professionals, experts, and specialists your product.

Mailing To Your Organization

20. An employee morale newsletter or magazine can keep the staff's morale high.
21. New representatives should receive indoctrination information, sales manuals, letters, or bulletins at specific intervals.
22. Stockholders and benefactors are essential to continued growth of many organizations.
23. An organized approach for collecting accounts keeps all accounts current and your customers satisfied.
24. Respond to inquiries, answering all of them quickly and efficiently
25. Keep mailing list accurate and up-to-date.

26. Dealers' clerks — educate key salesperson for many products.
27. Develop new territories not otherwise accessible.
28. Ad and promotion tie-ins keep dealers and distributors aware of available aids, tie-in ads, etc.

Overall

29. In raising funds, a personal appeal to special groups of prospects is highly effective.
30. Build prominence and you will build awareness of your organization and what it offers.
31. Test marketing will reveal your strengths — and your weaknesses.
32. Welcome newcomers. It starts associations off right when new members and customers become active.
33. Capitalize on advertising with reprints current or advance notices to key personnel to increase ad value.
34. Gather important data using methods such as to prospects, customers, members etc.

Letters That Increase Profits Like Crazy

Here are some very good examples of letters written for different purposes that will pulled like crazy... will reconfirm relationships — you name it. As you read, notice the points you've learned about already — focusing on benefits, asking questions, the personal approach, the guarantee, risk reversal — the list goes on and on. (No doubt you'll have an original tactic of your own!)

Letter #1: A personalized letter to established customers

**I'm Writing to Alert You to an Opportunity We're Only Making Available
to Our Best Customers...**

Ms. Jane H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Ms. Customer,

About once a year, we get the opportunity to purchase something very special

There aren't enough of them made that we can stock them in the store, because too many people would want one and we'd sell out too quickly.

Therefore, we've started a policy of picking out our most special and preferred customers and alerting them in advance to the fact that we're buying these _____ and that we're only going to have (number) available and offering them the chance to reserve or buy one or two or (number) of these before they even come in. That assures them to be able to receive at least one of these before our supplies are exhausted.

The last time we got in 50 of these _____, we sold them out in the first few days. You weren't able to take advantage and I know you were disappointed. This time I want to give you first shot.

Here's a description of the _____ and a few of the reasons I think it's so special (describe and explain product or service here).

I'm holding one of these in your name for the next three days. Call me to confirm that you want it. You can give me your charge card number or you can come in and give us a check or you can mail us a

check, whichever you prefer. The moment it arrives, we'll call you and you can either come in or we'll have it sent out to you.

Then, if for any reason you don't like it, we'll be glad to take it back, because we know we'll sell it out. I just know you'll love your _____ once it arrives and you would hit yourself if I didn't make it available this time, since you missed out last time. If you'd like to be one of the (number) people who gets one of these _____ when they come in, contact me right away.

Sincerely,

Name

Letter #2: To sell people a larger quantity of something than they normally would buy:

I'm Writing to Offer You an Opportunity
to Save \$_____ (or ____%) On

Ms. Jane H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Ms. Customer,

We know you are interested in _____. You're one of our very best customers and probably buy more than anybody else who patronizes us. For that reason, we decided to offer you a very special purchase opportunity.

We just realized we could afford to make you an extraordinarily generous price on a larger quantity of _____ than you normally buy. Given the fact that you seem to buy often from us, we thought that you probably would just as soon buy a two or three month's supply, rather than just one, particularly if we can save you a lot of money on it.

So we've put together a special "package" just for you. It's (number) of _____ enough to last you three full months. And we'll sell it to you for just (dollars). That's a (dollar) _____ savings over what you'd probably pay if you bought it the way you normally do. We're not going to make as much profit, but we're going to make you a wonderful value and we hope that because of it, you'll come back more often and you'll buy more things and you'll refer more people to us.

In the long run we all benefit, and that's fair and equitable. If you'd like to take advantage of this offer, pick up the phone and call me personally or call one of our salespeople and tell them. They'll be only too happy to provide you with delivery or hold it at the store for you to pick up at our offices. By the way, any purchase you make is fully guaranteed, just like when you buy a one-month supply, so you're risking nothing. You're just saving a lot.

It's our way of thanking you for all the past business you've given us and to show you that we really appreciate you. Thank you very much for your past, present and future business.

Warmly,

Name,

Title

Phone Number

Letter #3: For a customer list that's never before been mailed:

I'm Writing to Alert You to an Opportunity
I've Never Shared With My Customers Before...

Mr. John H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Mr. Customer:

We got to thinking a few days ago about how valuable our customers really are to us and we realized we'd never before expressed our appreciation or tried in any way to show you how valuable we find you to be. I want to do something about that. Something that would really make you see how much I appreciate your past business and would encourage you to do business with us over and over again in the future.

How could we persuade you? What could we possibly do to induce you to really love doing business with us? The answer, actually, was painfully obvious. A staff member suggested, "Why don't we make them an offer that's better-priced and more advantageous than any offer we've ever made to our outside customers?"

Why would we make such an offer to you? The answer is equally simple. You're worth more to us. You've got the capacity to buy more frequently and buy more of our product (or use our service more) and we'd like to reward you for it. So, for the next seven working days, we're going to allow you to purchase all the _____ (or up to \$____ worth of ____) you want for 30% less than anyone else in the store can buy it for. Stated differently, every time you spend \$100, you're going to get \$130 worth of value.

Are there any catches to this proposition? Only one. I think you'll agree it's quite reasonable. We ask that you be discreet. Walk up to the sales person and quietly mention this letter and mention that

you want to take advantage of the 30% savings because you're a priority client.

Since it's an offer we're only making to certain select people, we would not want to embarrass, offend or hurt any of our other customers who maybe browsing in the store. But as long as you're willing to respect this request, you can come into our store or if you prefer, you can call and have it charged to your credit card and we'll sell you up to _____ for 30% less than anyone else can pay for it today.

We hope that by making you a generous proposition, you will appreciate the value and importance we place on you and your business. In order to take advantage of this preferential offer, just come in or call us before (date or seven days) and mention this letter. Do, however, be discreet about it. We appreciate your business. We hope that you realize how true that statement is. Thank you for the past, thank you for the present, thank you for the future business.

Warmly,

Business, Owner

Letter #4: This letter is to pre-sell something that's not stockable, but that could be lucrative for the store:

**I'm Writing to Alert You to a Buying Opportunity
Not One in a Thousand of Our Customers Can Take Advantage of...**

Mr. John H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Mr. Customer:

We know you have a strong interest or enthusiasm in the area of

How do we know that? Because you're one of our better customers and you seem to buy the best specimens of that _____ we have ever stocked.

Recently our buyer uncovered a source of unbelievably high quality _____ in New York that, frankly, exceeds the quality and construction limits of anything we've ever stocked or sold in the store before. They're not cheap. But then again, the best of anything rarely is. They're made to sell for \$_____ and at that price they're probably a steal given their construction, their beauty and their performance characteristics (or capabilities).

However, because you are one of our very best customers, we wanted to both inform and reward you at the same time. So we decided to write this letter and tell you about the and also tell you about a problem we have and turn that into a buying opportunity for you.

The problem: The _____ we're in love with are too expensive to be stocked in the store. They're only going to appeal to the most discriminating and purest amongst all of our oriented customers. Like you!

It doesn't justify buying three or four of these and stocking them. Parenthetically, all we could buy if we wanted to is a handful of them, because they're made in such small quantities and they're so expensive to manufacture. We decided that if we could get you to advance order one or more of these, we'd allow you the opportunity to buy them for a very advantageous price, far below their suggested retail price.

How much are we talking about? Would you believe a savings of _____%? That's the reduction we're willing to give you. That amounts to \$_____ off the suggested retail price.

Admittedly, we're not planning on making much of any profit on the item. But we thought it was such a spectacular product that it would be grievous not to alert you to it. But it was too specialized for us to stock. So if you'd like to own one of these as your own, you can buy it today, not for the _____ it was intended to sell for, but for only \$_____, which is a ____% savings.

Is there a catch? Only one and it's quite reasonable. To buy it at this profound discount you've got to agree to pay us a deposit of \$_____ and when the product comes in, pay the rest in about three weeks. Otherwise, the only way you'll probably be able to buy it is if you're in New York at one of the more expensive stores that stocks them – of which there are only two that we know of. But then, you'd have to pay the \$_____ instead of the \$_____ we're willing to sell it to you for today.

In other words, we want to reward you for being our favorite customer by giving you almost a 40% discount on a product that is probably the most spectacular specimen of its kind in the country and one we know you'll treasure owning because it will perform so well (or look so beautiful – modify this to the product you're selling).

We're certain we can only get a handful of these _____ this year, so we must limit you to a maximum of (one or two, you decide based on availability) and we must get your order request in person or by telephone (we can charge it to your charge card or bill your company) immediately, if we're to order one of these for you.

In a month or so, you'll probably kick yourself if you don't take advantage of this offer, particularly if you see any of your friends, associates or colleagues using one (or wearing one, whatever the appropriate application is).

In order to reserve one of these _____ for yourself, call me personally at (phone number) between 9 a.m. and 4 p.m. weekdays and tell me the size and the style you want. For your benefit, I've included a descriptive catalogue sheet on the product in with this letter and a few of the rave reviews that have been lavished upon it. I appreciate your past business. We look forward to having you be a client in the future. Thank you.

Warmly,

The Owner
Telephone Number

Letter #5: For retail businesses:

Mr. John H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Mr. Customer,

I'm writing to let you know about a new service we're offering only to our preferred customers. It's a service designed to give you, the people who favor us with a larger amount of business, an advantage in accessing the products or services you're most interested in.

Simply put, we typically carry a large selection of exclusive widgets. These widgets often are a bit more exotic (or more quality constructed or special handmade items or are the highest-performing widgets carried anywhere), but because of our inventory capacity, we can only order very small quantities. Consequently, within a few days of receiving them, our supply is usually depleted.

We know from experience that you enjoy, prefer and appreciate these kinds of items, so we are going to start, unless you tell us otherwise, to call or write to notify you before putting these items out in the store.

Whenever we are approached with a new item or whenever we send our buyer to New York, we're going to contact you first – ahead of time – to give you the first opportunity to take advantage of these widgets – not only ahead of everybody else, but at a preferred price as well.

Lest you think we're crazy, there is a method to our madness: 1) We'll turn our inventory faster, 2) We'll make you a lot happier because you'll be able to buy more of what you really love – hopefully, you'll buy more often so we'll make more cumulative profit and 3) We'll have the satisfaction of knowing we're offering our very best

merchandise and price to the customers that have been faithful and loyal and enormously generous in their patronage.

Unless we hear from you otherwise, we'll simply notify you in advance and give you the first opportunity to be one of a handful of people that can own these items.

Sincerely,

Owner
Company

Letter #6: For customers who purchased in the past, but not recently:

Mr. John H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Mr. Customer,

We are so pleased that you favored us with your business two weeks ago (a year ago, etc.), but you haven't been back since then and we're a little perplexed, mystified, and, frankly, confused. Maybe you didn't realize that we're not just a source you turn to in a catastrophe. We keep 8,700 different widgets in stock at all times in 47 separate colors and styles.

And, our average selling price is 25% below the market. How can we sell at such low prices? Two reasons really: We buy ten times the volume most widget suppliers do and we have a lot of items manufactured to our own specs.

The point of this letter is that we haven't heard from you in a great while. I'm inclined to bet it's because you didn't realize the

scope, flexibility and the size of our operation. You may not have realized also that you don't have to buy in the quantity you did before to get great prices and same-day shipping.

We've got five warehouses around the country, so we can fly in a purchase as small as \$10 or \$20. Of course, there's never a surcharge when it's shipped out to you immediately. We'll even offer to put it on open account for you.

I recommend that if you continually need, use or replace widgets, you should absolutely call us the next time you need to purchase, because we've probably got a better price and a better product.

In fact, to shamelessly bribe you into repatronizing us, I'm going to make you an offer that's irresistible. If you need widgets within the next seven days, we'll sell you four gross of our best widget — normally \$87 a keg — for only \$64. Plus, we'll throw in financing interest-free for 90 days. If, after receiving them, they're not superior to the ones you have been using, send back your unused amount and we'll refund all your money. We can't be any fairer than that.

Quite frankly, once most companies start dealing with us for all their widget purchases, they very rarely ever leave. We're out to get your business.

Sincerely,

Owner

Letter #7: For new customers:

Mr. John H. Customer
1209 Arlington Avenue
Anytown, USA 00000

Dear Mr. Customer,

Our records indicate (or one of our sales staff told me) that you visited my store today for the first time. Because customers are so important to me, I wanted to write you personally and thank you for your first visit.

To commemorate that visit, I want to invite you to return again soon and here's what I suggest: Bundle up all the dry cleaning that you need right now and put it in a bag (or put it in your car) along with this letter. When you drop off your dry cleaning at the store on your very next visit, I'll personally take 50% off your regular dry cleaning bill. There's absolutely no limit on the number of garments I'll allow at this reduced price.

And, I'm not going to impose a time limit. I simply want you to experience the quality work we do, how quickly we can have your order ready for you (how well-starched the shirts are, how delicately we treat your fine sport coats, etc.), even how we perform minor repair work at no additional charge.

I know through experience that if I can get you to come back here a second time, you'll think of Majestic Dry Cleaning and Laundry whenever you need laundry or dry cleaning services.

Since there's a 90% probability you'll come back to me again and again, it's a small investment on my part to forego entirely the profit I'd normally make on your next order.

I want your business and I'm willing to invest back in you to earn it.

Sincerely,

Owner, Company

More Examples

Let's look at some specific situations that may require subtle nuances, giving just the right touch to your letter without being too heavy-handed. You don't want a blaring, bull-in-a-china-shop approach. Neither do you want to leave your clients guessing — or overlooking — the value that you bring to their lives.

Your customers aren't stupid. (But advertisers are much of the time.) A case in point: Recently, I consulted with a client who had run numerous ads full of broad claims and then didn't explain why he was able to make such offers. His ads failed.

People are naturally suspicious of advertising; they tend to take it with a grain of salt. But the better that people understand your motives (if you present them intelligently), the more inclined they'll be to accept your proposition.

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

Say you are a doctor who wants to attract new patients, define a neighborhood or geographic area that holds the most viable prospects you want — they're close, they're affluent.

Draft a personalized letter similar to your ads. Obtain names from a local mailing list house and have a computer address them. But don't mass-produce them. Send fewer letters and avoid a large, impersonal mailing. The letter could say:

Mr. Smith:

You may be unfamiliar with me, but I'm familiar with your community.

Many people in this neighborhood are more concerned about maximum physical health than in other parts of our city. Why? Maybe they enjoy life more fully; maybe they already keep themselves in better health; maybe they treasure their bodies. Many of them come to see me and have asked for ways in which they can enhance their health.

As a result, I've developed a report that you might profit from called, "_____". I'd like to send it to you.

If you're already comfortable with a physician in the neighborhood, I'd still like to send it to you if you'll send back the enclosed card. If you don't have a physician, come to my office anytime and I'd be glad to give you the report.

In the meantime, although I have a busy schedule, if I can answer any questions I'll certainly find the time or have my assistant respond. If there's anything I can do for you, please call.

Warmly,

Dr. Smith

A letter like that is very simple, basic and straightforward to produce. A more complex package could feature a letter with an accompanying report, pamphlet or tape. The letter might say:

Dear Mr. Jones,

I've just presented a seminar at the local community college on the subject of cancer prevention. One way, of course, is to have regular checkups by a physician you trust. Another is to modify your eating habits. But there are many other innovative approaches that most people never think about.

I've taken a liberty that I hope you'll appreciate. I've included a portion of the seminar text here. You might enjoy reading it. If you would like the complete text, call or come in and we'll give it to you.

This report presents some ideas, techniques and therapeutic methods which will enhance the quality, length and gratification of your life. It is my gift to you. If I can ever be of service in any way and you can benefit from me. I hope you will call or visit my offices.

An accountant who wants to build year round business might try this letter:

Dear Mr. Smith:

A person in your income bracket may have more complex financial needs than you recognize. Perhaps your current accountant hasn't realized or hasn't pointed out some additional services you could benefit from.

Perhaps he hasn't shown you ways you could save on taxes. Perhaps he hasn't suggested tax saving strategies that others in your income or professional group are currently taking advantage of. I am always disappointed when professionals only react and don't take time to care about their needs ahead of time.

Come December 31st, all the recommendations in the world won't help. The time to develop your tax strategy is right now. I have an advantage. My practice is busier than can be in November and December; right now I have free time.

If you'd like, I'd be willing to spend an hour or two with you for a modest consultation fee (or free, depending on what you want to do). We would examine your financial situation and review your last year's taxes. I will ask you a number of questions and, moreover, recommend some strategies. I'll do it as a service to you. I would be delighted if you wanted to retain me after the consultation, but don't feel obligated.

I've helped many people in situations similar to yours and I believe I could help you. Maybe more than your present accountant – maybe less. I don't know for certain, but I would be willing to spend the time to see if I could. If I can help you, it could represent thousands or tens of thousands of dollars that you can put in the bank. Money you could save. Money you could invest. Money you could enjoy. And it may change your entire mind about tax planning and investments.

I have some innovative ideas that are absolutely legal and ethical but that are much more dynamic than those of most accountants. My practice has grown because of these ideas. I'd like to share them with you if you're interested. If you are curious, call or send the enclosed card. My secretary will get back to you. Or come in at your convenience. But because I have a very variable schedule, I suggest that you arrange an appointment.

Warmly,

Your Accountant

A financial planner could use this letter to reach prospective clients in his community:

Achieve Financial Independence In The Next Twenty Years PLUS Five Easy Ways To Overcome Money Problems For The Rest Of Your Life.

Dear Mr. Smith:

The headline of this letter may sound audacious but frankly, it's true. As a practicing financial planner in this city for the last ten years, I've been able to show 500 of your neighbors and friends ways, means and techniques that have allowed them to structure a financial plan that will assure them of all the money they want for retirement or for vacations, for business investment, for a comfortable cushion of money in the bank, for their children's education or for the exciting luxuries that they have dreamt about.

I often achieve these goals without changing a person's lifestyle in the least, most often with dollars normally paid to the government through innovative tax-sheltering strategies. Most people have no real financial plan and don't understand that, for no more money than they already spend on taxes, they could create more than a nest egg – they could create financial independence.

I've prepared a report entitled, "How to Achieve Total Financial Independence Long Before You Retire, Plus Have the Money for All Your Purposes From Here on Out." I'd be delighted to send you a copy or sit down with you and explain my techniques in person.

My practice is located at _____, which is very convenient. I keep normal business hours and am also available for evening and weekend consultations. If you don't have time for a personal consultation, I would be glad to show you a simple way to create your own financial plan. I have a form that's very easy to fill out which I'll be glad to send you, as well.

Enclosed is a card. Send it back to me and my assistant will send you the form and the report. Afterwards I'll follow up and see what I can do for you.

In the meantime, if you have questions or if I can be of any help, feel free to call me with no obligation.

Regards,

John Jones

Pulling More Income Out of the Client's Customer Base

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

I think the first thing to do is to send a letter within five or ten days from the time of the customer's first transaction where you 1) thank them in a way that lends dimension to the company, 2) resell the value of your company, and 3) resell the prudence of purchasing the actual product or service (if that is known and can be identified.)

A letter like this essentially programs the customer to repurchase and revisit and rethink in terms of dealing with you. It's always a good idea to test messages because it's different in every situation.)

Perhaps make them an offer of either an additional product or service they can purchase on a preferred basis, or if what they have purchased can be exchanged or returned, you can often up-sell them to a larger unit. In the powerboat industry, Sea Ray makes pretty stable offshore boats, and they have a 100% guarantee trade-in allowance every time you trade up. They get a lot of trade-ins for larger, more expensive boats. It makes good sense.

The point is, your client must reinforce the buyer's buying decision. This simple action can prove extremely powerful because it builds your long term and back end. The marginal net worth of such customers can be very large.

Your client must contact his customer after that customer has made an initial contact, and have a program set-up to reinforce that buying decision. Thank the customer and give him an opportunity to bump to a larger sale (if it's appropriate). Also tell them in the letter that because

you're concerned about him, because you care more than to just make a profit and leave, don't be surprised from time to time if you write to inform him, to alert him, to find out about things, etc.

Selling Products to a List Never Before Mailed

All you need to produce is a letter that says, "I'm writing to alert you to an special item I knew you would be interested in," and go on to identify why you are doing it, acknowledges them as a discerning person, tells why this product or service makes intelligent and imminent sense, why it builds on what the customer has already expressed an interest in, tells them why they should have it, tells all the laurels of why the item is *so* far superior

And finally, it makes an offer for them that is a) totally risk free, and b) more price and/or term preferential than has ever been extended or will be extended in the open market. The letter should give them first option, a reason why, limited access, a preferential way to avail themselves of it, and a call into action.

Boiler-Plate Scenarios: Four Simple Letters to Instantly Boost Profits by \$25,000

Retail

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

Dear Mr. Customer,

I'm writing to let you know about a new service we're offering only to our preferred customers. It's a service designed to give you, the people who favor us with a larger amount of business, an advantage in accessing the products or services you're most interested in.

Simply put, we typically carry a large selection of exclusive widgets. These widgets often are a bit more exotic [or more quality-constructed or special hand-made items or are the highest-performing

widgets carried anywhere] but because of our inventory capacity, we can only order very small quantities. Consequently, within a few days of receiving them, our supply is usually depleted.

We know from experience that you enjoy, prefer, and appreciate these kinds of items so we are going to start, unless you tell us otherwise, to call or write to notify you before putting these items out in the store.

Whenever we are approached with a new item, or whenever we send our buyer to New York, we're going to contact you first – ahead of time – to give you the first opportunity to take advantage of these widgets – not only ahead of everybody else, but at a preferred price as well.

Lest you think we're crazy, there is method to our madness: 1) We'll turn our inventory faster, (2) We'll make you a lot happier because you'll be able to buy more of what you really love – hopefully, you'll buy more often so we'll make more cumulative profit; and (3) We'll have the satisfaction of knowing we're offering our very best merchandise and price to the customers that have been faithful and loyal and enormously generous in their patronage.

Unless we hear from you otherwise, we'll simply notify you in advance and give you the first opportunity to be one of a hand-full of people that can own these items.

Sincerely,

Jack Lehander
Lehander's Fine Widgets

Service

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

Dear Mr. Customer.

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

Simply put, I've just started an automatic, on-going, subscription-based service that my better customers are being invited to take advantage of, whereby we automatically render to you on pre-established, appropriate intervals our cleaning service [or our tree-trimming service or auto detailing service].

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

We'll keep your home [or yard or car] at the level of perfection you went end expect, automatically, without you having to worry about contacting us. In addition to automatically scheduling our service at the intervals appropriate for you, when you sign up for this service, you also get free-of-charge our interim catastrophe insurance.

In other words, if something happens to your carpet, we will come out and spot clean or repair it at no charge [or if something happens to your car and the wax job on it wears off between detailing, we'll come out on the spot and improve it at no charge.]

What's all this cost? A lot less then you might imagine, and certainly a lot less per visit than it would if you engaged our services one time only.

Why is it such a savings? The answer is very, very logical, actually. I have employees on my payroll who I have to pay whether they work or not, and for some inexplicable reason, everyone wants to avail themselves of my services on Mondays and Fridays.

Nobody seems to need our services on Tuesdays, Wednesdays, and Thursdays, but I have to keep my employees on the payroll just the same. I have workers sitting on their thumbs during the middle of the week with me paying them \$15 and \$20 an hour to do nothing. It's to my advantage from a utilization standpoint to bring in revenue even if it's not maximum revenue on the off-days.

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

At any time, when the service is no longer appropriate, or our performance is no longer satisfactory, or you have any problem or dissatisfaction, you can cancel on the spot.

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

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

Warmly,

Jack Mayhill

Mayhill's North City Cleaning Service

FOR CUSTOMERS WHO HAVE PURCHASED IN THE PAST, BUT NOT RECENTLY:

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

Dear Mr. Customer,

We are so pleased that you favored us with your business two weeks ago [a year ago, etc.], but you haven't been back since then and we're a little perplexed, mystified, and frankly confused.

Maybe you didn't realize that we're not just a source you turn to in a catastrophe. We keep 8,700 different widgets in stock at all times in 47 separate colors and styles.

And, our average selling price is 25% below the market. How can we sell at such low prices? Two reasons really: We buy ten times the volume most widget suppliers do and we have a lot of items manufactured to our own specs.

The point of this letter is that we haven't heard from you in a great while. I'm inclined to bet it's because you didn't realize the scope, flexibility, and the size of our operation. You may not have realized also that you don't have to buy in the quantity you did before to get great prices and same-day shipping.

We've got five warehouses around the country, so we can fly in a purchase as small as \$10 or \$20. Of course, there's never a surcharge

when it's shipped out to you immediately. We'll even offer to put it on open account for you.

My recommendation to you is that if you continually need, use, or replace widgets, you should absolutely call us the next time you need to purchase because we've probably got a better price and a better product.

If you need widgets within the next 7 days, we'll sell you four gross of our best #87XX widget — normally \$87 a keg — for only \$64. Plus, we'll throw in financing interest-free for 90 days. ~~E~~ after receiving them, they're not superior to the ones you have been using, send back your unused amount and we'll refund all your money. We can't be any fairer than that.

Quite frankly, once most companies start dealing with us for all their widget purchases, they very rarely ever leave. We're out to get your business.

Sincerely,

Jack Smith
Central Widget Distributors

FOR NEW CUSTOMERS:

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

Dear Mr. Customer,

Our records indicate [or one of our sales staff told me] that you visited my store today for the first time. Because customers are so

important to me, I wanted to write you personally and thank you for your first visit.

To commemorate that visit, I want to invite you to return again soon, and here's what I suggest. Bundle up all the dry cleaning that you need right now and put it in a bag [or put it in your car] along with this letter. When you drop off your dry cleaning at the store on your very next visit, I'll personally take 50% of your regular dry cleaning bill. There's absolutely no limit on the number of garments I'll allow at this reduced price.

And, I'm not going to impose a time limit. I simply want you to experience the quality work we do, how quickly we can have your order ready for you [how well-starched the shirts are, how delicately we treat your fine sport coats, etc.,] even how we perform minor repair work at no additional charge.

I know through experience that if I can get you to come back here a second time, you'll think of Majestic Dry Cleaning and Laundry whenever you need laundry or dry cleaning services.

Since there's a 90% probability you'll come back to me again and again, it's a small investment on my part to forego entirely the profit I'd normally make on your next order.

I want your business and I'm willing to invest back in you to earn it.

Warmly,

Jack Royale
Majestic Dry Cleaning and Laundry

Selling High Ticket Items

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

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

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

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

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

Identifying Potential Clients: Prefacing Letters to Set Up a Potential Client for Your Phone Call

Instead of cold calling, why not send a letter ahead of your call to “prime” the business owner for the conversation? The following letters are excellent to use. But don’t be surprised, *some* business owners may not want to wait for you to call them. Be sure your own phone number is on the letterhead.

Mr. John A. Businessman
ABC Corporation
1365 Industry Boulevard
Portland, OR 00000

Dear Mr. Businessman,

Quite frankly I believe I have an idea that can increase your profits by ____ % and increase your gross sales margin by ____ %.

Here’s my challenge. You’re busy and you’ve probably had all kinds of offers before, but I believe this offer is so powerful that I’m listing below the names of three of my clients, any one of whom you probably know or recognize from the newspapers. I invite you to contact any or all of them to ask if I’ve not been able to produce these same kinds of results in their businesses.

Jonathan Marsh
Marsh Electrical Components
1742 East Andover Way
Grants Pass, OR 00000
Trevor O’Neill
The Pacific Sierra Company
One Pacific Sierra Square 8409
Halloway Boulevard Portland, OR 00000
Michael Austin
National Beverage Distributors, Inc.

3232 Quintin Avenue
Portland, OR 00000

If this sounds like something you'd be interested in talking to me about, tell your secretary to expect a call from me in the next two or three days. I don't even have to speak to you. If you wish, simply have her schedule an appointment for you and I to get together.

Sincerely,

James L. Williams

Do you have someone prominent or prestigious in the community or in a well-respected field that can endorse a letter for you? Your accountant or attorney, perhaps? If so, try sending this letter to prospects:

Mr. John A. Businessman
ABC Corporation
1365 Industry Boulevard
Portland,, OR 00000

Dear Mr. Businessman,

I don't ordinarily endorse anybody, as you know, but when I meet someone who has helped my clients double their incomes and increase their sales, I feel like I owe it to the rest of my clients to tell them about it.

There is such a man and his name is Jim Williams. Here is what he did for just one of my clients:

(insert example)

He's done as much for my practice and for others, too. Best of all he's willing to talk. And, he's taking on a few new clients right now, totally on a contingency basis.

I've taken the liberty of telling him that I have written to you and have asked that he give you a call. I think the two of you should know each other. It could be tremendously profitable.

Sincerely,

Anthony Phelps
Michelson, Phelps, and Bagdonovich
An Accountancy Corporation

But what if you don't already have track record? Here's a letter to use that gives you increased status in the mind of your prospect — before you ever speak to him on the phone:

Mr. John A. Businessman
ABC Corporation:
1365 Industry Boulevard
Portland,, OR 00000

Dear Mr. Businessman,

I'm writing to alert you to a situation I think you'd be interested in learning about. Simply put, I'm one of perhaps a hundred people in this country who specializes in turning companies' overlooked assets into windfall profits and then turning those profits into ongoing, steady streams of income for no effort, no risk, no additional expense whatsoever for the companies I do it for.

I get paid in the most professionally delightful way — only on a contingency basis. I get a minor share of the increased profit dollars I make my client companies only if, after, and when those dollars have

been fully realized, expenses all paid, and the money is sitting in their bank account.

I've looked at your company superficially and I believe you are an extraordinarily appropriate prospect for the kind of programming I do. If my beliefs bear out, there is a 90% probability that I can ultimately add zeros to the profits your business already produces for you (and as you well know, if I put zeros at the end of your profits, I've instantaneously added two or three zeros to the worth of your business.)

If you've thought about selling it or if you're thinking about acquiring other companies or if borrowing power and bank or commercial credit is of interest to you, you know how important increased worth really is.

I'm willing to present my concepts and my ideas to you in a concise, straightforward, fully disclosed manner. I'm willing to reveal everything that I am interested in doing. I'm willing to tell you why it will work. I'm willing to prove it to you empirically. Then, if you and I are compatible – that means not only do we like each other, but we feel that we are philosophically in accord with what I want to do and what you want to accomplish – I'm willing to engineer, mastermind, implement, administer and manage the application of my concepts in your business for no fee, no guarantee on your part whatsoever.

All I ask in return is that if I make you a dollar you never would have had, you give me back 25 cents after that dollar has been banked in your own corporate account.

If that very equitable, performance only, results-only proposition catches your interest, I'd like very much to meet with you in person. I'll be calling you in about three days to talk a little more extensively and to set up an appointment. If I have already piqued your imagination and you don't want to wait for that call, call my

office [or call my service] and leave a message with different times that you are available. I will call back and confirm one with you.

I think the ideas I'll introduce and the techniques I'll recommend will be so eminently logical and clearly viable to you the moment I reveal them, you'll really appreciate the time spent, not only reading this letter, but inviting me into your offices.

Correspondingly, we'll both profit very handsomely from the time we spend with one another. I look forward -to our meeting.

Sincerely,

James L Williams

Or, if you don't have a back record, you can work for a client free, with the knowledge that if you perform for them, they'll be your back record. Plus, you'll find the easiest set-up in the world to work with.

Mr. John A. Businessman
ABC Corporation
1365 Industry Boulevard
Portland, OR 00000

Dear Mr. Businessman,

I have a unique proposition for you-one I think you'll profit handsomely from.

I specialize in turning companies' overlooked assets into windfall profits. Then I turn those profits into on-going, steady streams of income. Normally I take 25\$ out of every increased profit dollar my techniques earn for a company - if and only after that profit is earned and in the client's bank account.

But I find I need a track record, so I'm willing to perform my profit-boosting programming for you without my usual 25% contingency

fee and without any cost to you for the programming. All of this for absolutely nothing – provided one thing.

You agree in writing that if I perform and my techniques work for you, you'll sing my praises high and low to everybody but your direct competitors. I can have people call you, you'll write me letters, you'll let me send letters out on your letterhead. If you'll do that for me, I'll work for you for free.

If you're interested in this unique proposition, and my unique profit-boosting methods, call me at (000) 000-0000 and I'd be pleased to discuss it with you.

Warmly,

John A. Smith

Or, use this one: I'm willing to work for you absolutely free provided you'll agree to one simple, very charming catch.

Mr. John A. Businessman
ABC Corporation
1365 Industry Boulevard
Portland, OR 00000

Dear Mr. Businessman,

My name is Jim Williams, and I do something that nobody else in all of Portland does. I specialize in helping businesses turn their overlooked assets into windfall profits and those windfall profits into steady, on-going streams of income.

I help companies increase their profits and grow their bottom lines without any risk at all, and I do it strictly on a percentage basis. I never get a fee, I never get any guarantee. I only get paid if, and after, my work for the company produces profit over and above

the money they're already making. Every time I make them a dollar they never would have had before, I get to keep 25 cents.

I'm telling you this to introduce you to what I do. But that's not the reason for this letter.

The reason for the letter is this. I've just started doing my profit-boosting work in this industry [or in this market.] I need a powerful track record. I need a great case study.

I need to make you \$20,000, \$30,000 or \$50,000 or \$150,000. Almost overnight, with no risk, and with no effort or additional expense on your part-simply – simply by playing off assets or advertisements or customers or opportunities that you already have in place but have never reclaimed.

I am writing to offer to work for your business for the next three to six months, absolutely, unequivocally, free of charge. Let me restate that. I am willing to extend myself and give you my most superior efforts and my very consummate business marketing and operational programming skills, free of charge.

All I ask in return is a very modest, intangible consideration. It's this.

If and after my efforts in your behalf produce sizable results (that is, \$15,000 or \$20,000 or \$50,000 net profit from areas you never thought were possible), I ask in return that you agree unhedgedly and unequivocally to sing my praises and act as my great endorser [beneficiary, benefactor, testimonial] throughout your industry (aside from your direct competitors, of course). If you will but agree to do that for me, I will in return agree to take you on void of fee provided I hear from you right away.

Contact me at my office right away with your answer. The number is (000) 000-0000.

Sincerely,

James L. Williams

The beauty of this kind of offer is that somebody will take you up on it. But even better, a lot of people will call in and you'll have to say, "You know, Mr. Businessman, I have an embarrassing problem. I sent out ten of those letters and I've already gotten back nine results. I've already made a deal with somebody on an absolutely free basis, but I'll tell you what I'll do. I normally get 25% of the deal, but I'll do it for you for only 20% if you're interested strictly on a performance basis."

Or, if you are just starting out and don't have a track record, turn the tables and challenge your prospect to meet your standards with an opener like this:

Dear Mr. Businessman,

This letter is not for everybody. As a matter of fact if you can't answer "yes" to any one of the following six questions, you should probably throw this letter away or pass it on to somebody else.

- You own or operate a successful growth-oriented business that's not getting as much business, sales and profits as you would like.
- You have "dead" customer lists or lots of prospects you're not converting.
- You're generating plenty of front-end sales but you're not bringing enough profit to the bottom line.
- You have a reasonably successful business, but you've stagnated.

- Competitors are catching up with you and it's getting harder and harder to make a buck and stay ahead.
- You could make a lot more money if you had a profit-boosting expert working for you.

Or, use this ad:

World-class sales, marketing, advertising, and promotional expert will work for you absolutely free for three months to prove a point and to secure your endorsement.

I'm a specialist at doing something no one else can do. I can turn your existing assets and your overlooked opportunities into windfall profits and perpetuate those profits into on-going streams of income. It's not at all unrealistic to think that I could bring you thousands or tens of thousands or hundreds of thousands of extra dollars for no risk, no effort and no investment whatsoever on your part

Normally I do it strictly on a contingency basis that is, for a share of the increased profits. My customary fee is 25 cents after I bring businesses a dollar they never would have had.

However, I don't want a cent from you.

What I want is the opportunity to simply prove my point because you're such a well known person [or a significant player or pivotal focal point] in your industry [or the community or the town].

I want to make you so much money that you will sing my praises and endorse me high And low. I'm willing to work for you for three or six or nine months free of charge, no fee. I may put in dozens of hours a week I may put in hundreds of hours a month.

I'll do whatever it takes for me to succeed for you correspondingly.

Once, and if, I do, I want your unequivocal agreement that you will sign any kind of reasonable endorsement letter. You will make yourself available to anybody I want. You'll even pick up the phone and call people. That's a small compensation for you to agree to simply for allowing me to earn you \$10,000 or \$50,000 or \$100,000 in windfall profits this year. And it's likely we'll continue on an on-going basis for years to come.

If that sounds like a fair deal and an equitable proposition, please contact me right away at (000) 000-0000.

I'm making this offer to a dozen selected people, but I'll only take on one or two of them on this basis. I hope it's you.

Letters to Solicit Clients in Vertical Markets

If you're approaching business owners in vertical markets, here are two letters you can use:

Service

Mr. John A. Businessman
ABC Corporation
1365 Industry Boulevard
Portland, OR 90000

Dear Mr. Businessman,

I know a way to get 20% to 50% of your customers to repurchase from you, on average, four times a year for the rest of their lives.

I can show it to you in five minutes, I can implement it for you in a week or less.

If it works anywhere close to the way I think, it will add zeros to your bottom line. To state it differently, I can make you an extra \$2,000 to \$5,000 to \$10,000 to \$110,000 a month [or a quarter] for no real effort on your part.

If you are interested in learning about this concept, I'm willing to not only explain it to you but to actually engineer it for you for no risk, no effort and little expense, if any, on your part. Not a dime goes into my pocket. I only get paid if, when, and after my programming [or my efforts or my concepts] on your behalf pays off and pays off big. Then end only then do I get paid. All I ask is that when I make you a dollar you never would have had before, I receive a modest quarter of the net.

If that sounds like something you would be interested in, call me at (000) 000 0000 or send back the enclosed response card.

Sincerely,

James L. Williams

Industrial Company

**How much more profit could you make if I could show you
a way to add 25 new customers a month?**

Mr. John A. Businessman
ABC Corporation
1365 Industry Boulevard
Portland, OR 90000

Dear Mr. Businessman,

How much would it add to your bottom line if I could show you a way to cause every one of your customers to buy from you at least four additional times a year more than they currently do? With no extra

effort, no extra expense, no extra personnel than you are currently using?

What would it be worth if I could show you how to increase the average unit of sale each customer was worth to you by a minimum of 25 to 60%? What would it be worth if I could show you a way that once you acquired a customer you would never ever lose them, unless the company went out of business or was acquired by someone else.

If your answers to these questions are "a lot," I'd like to talk to you.

My name is Jim Williams. I do something very unusual. I help owners of businesses both large and small increase their profits and grow their bottom lines without any risk, without any effort on their part, and with little or no more money than they are already spending on marketing.

And I do it totally at my risk, not theirs.

I only get paid if, when, and after my programming for them pays off end then, I share directly in the actual profits my efforts produce for or them. If I make them a dollar they never would have had, I get a modest 25 cents in return.

My programming is so simple and logical it will make eminently good sense to you the moment it is revealed. I set up ongoing programming that I manage - not you, not expensive personnel. It's simple, it's infallible, it's automatic. It works. If you'd like to explore or learn more about the kind of programming I have in mind for you, call me at (000) 000 0000. Or, send back the enclosed card and I will contact you.

Sincerely,

John Q. Businessman

Four Letters That Keep Customers Coming Back — and Profits Rolling In

This first letter is perfect if you've never mailed a letter to your customer list before. (But even if you have, you'll still find it useful. Just omit the "never before" references.)

**I'm Writing to Alert You to an Opportunity
I've Never Shared with My Customers Before...**

Dear Mr. Customer,

We got to thinking a few days ago about how valuable our customers really are to us, and we realized we'd never before expressed our appreciation or tried in any way to show you how valuable you are to us. I want to do something about that. Something that would really make you see how much I appreciate your past business, and would encourage you to do business with us over and over again in the future.

How could we persuade you? What could we possibly do to induce you to really love doing business with us? The answer, actually, was painfully obvious. A staff member suggested, "Why don't we make them an offer that's better-priced and more advantageous than any offer we've ever made to our customers?"

So, for the next seven working days, we're going to allow you to purchase all the __ you want [or up to \$X worth of __] for 30% less than anyone else in the store can buy it for.

Are there any catches to this proposition? Only one. I think you'll agree it's quite reasonable. We ask that you be discreet. Walk up to the salesperson and quietly mention this letter, and mention that you want to take advantage of the 30% savings because you're a priority client. Since it's an offer we're only making to select people, we would not want to embarrass, offend, or hurt any of our other customers who may be browsing in the store.

We hope that by making you a generous proposition, you will appreciate the value and importance we place on you and your business. Just come in or call us before [date, or seven days] and mention this letter. Thank you for your past, present, and future business.

Warmly,

Business Owner

This next letter could be used as a follow-up communication with a new customer.

Dear Ms. Customer,

Our records indicate [or one of our sales staff told me] that you visited my store [practice, office] today for the first time. Because customers [patients, clients] are so important to me, I wanted to write you personally and thank you for your first visit.

To commemorate that visit, I want to invite you to return again soon, and here's what I suggest: Bundle up all the dry cleaning that you need right now and put it in a bag along with this letter. When you drop off your dry cleaning at the store on your very next visit, I'll personally take 50% off the regular cost.

There's absolutely no limit on the number of garments I'll allow at this reduced price. And I'm not going to impose a time limit. I simply want you to experience the quality work we do, and how quickly we can have your order ready for you.

I know through experience that if I can get you to come back here a second time, you'll think of Majestic Dry Cleaning and Laundry whenever you need laundry or dry cleaning services. Since there's a 90% probability you'll come back to me again and again, it's a small investment on my part to forego entirely the profit I'd normally make on your next order.

I want your business and I'm willing to invest back in you to earn it.

Sincerely,

Business Owner

The following letter can be sent to your customers to entice them to buy a larger quantity.

I'm Writing to Offer You an Opportunity to Save \$X [or X%] On __

Dear Ms. Customer,

We know you are interested in ___. You're one of our very best customers and, for that reason, we've decided to offer you a very special purchase opportunity. We just realized we could afford to give you an extraordinarily generous price on a larger quantity of __ than you normally buy. Given that you seem to buy often from us, we thought you probably would just as soon buy a two or three month's supply, rather than just one, particularly if you can save a lot of money on it.

So we've put together a special "package" just for you. It's [number] of ___, enough to last you three full months. And we'll sell it to you for just [dollars]. That's a [dollar] savings over what you'd pay if you bought it the way you normally do. We're not going to make as much profit, but we're going to give you a wonderful value. And we hope that because of it, you'll come back, buy more things, and refer more people to us.

If you'd like to take advantage of this offer, pick up the phone and call me personally, or call one of our salespeople and tell them. It's our way of thanking you for all the past business you've given us and to show you that we really appreciate you.

Warmly,

Business Owner

Finally, here's a letter you can send to established customers to let them in on a special opportunity.

I'm Writing to Alert You to an Opportunity
We're Only Offering to Our Best Customers

Dear Mr. Customer,

About once a year we get the opportunity to purchase some very special ___. There aren't enough of them made that we can stock them in the store, because too many people would want one and we'd sell out too quickly.

Therefore, we've started a policy of picking out our most special and preferred customers and alerting them in advance to the fact that we're buying these ___, and that we're only going to have [number] available, and offering you the chance to reserve or buy one or two or [number] of these before they even come in. That assures you'll be able to receive at least one of these before our supplies are exhausted.

Here's a description of the ___ and a few of the reasons I think it's so special [describe and explain product or service here].

I'm holding one of these in your name for the next three days. Please call me to confirm that you want it. You can give me your credit card number or you can give us a check, whichever you prefer. The moment it arrives, we'll call you, and you can either come in or we'll have it sent out to you.

Then, if for any reason you don't like it, we'll be glad to take it back, because we know we'll sell it out. I just know you'll love your __ once it arrives. If you'd like to be one of the [number] people who get one of these __ when they come in, contact me right away.

Sincerely,

Business Owner

You get the idea.

I've got just one more letter suggestion for you — the one you send me to let me know how well these work in your business! Also, if you have a business that you're convinced can't use any of these letters in any variation — send me a note or e-mail explaining your unique situation, and I'll show you how to make it work for you.

There are as many variations on sales letters as there are products, companies and targeted prospects or customers. Need some industry ideas? Here's "only a few":

Industry Suggestions

Accountants-Certified Public
Accountants-Public
Acupressure
Acupuncture
Air Cleaning and Purifying Equipment
Air Conditioning Contractors and Systems
Airline Ticket Agencies
Airline Training Schools
Alcoholism Information and Treatment Centers
Answering Bureaus
Antique Dealers
Apartments
Art Galleries, Dealers and Consultants
Art Instruction and Schools

Associations
Attorneys
Appraisers
Automobile Dealers-New Cars
Automobile Detailing
Automobile Driving
Automobile Renting and Leasing
Automobile Repairing and Service
Baby Accessories-Retail
Banks
Banquet Rooms
Beauty Culture-Schools
Beauty Salons
Billing Service
Biofeedback Therapy and Training
Book Dealers-Used and Rare
Bookkeeping Service
Bridal Gowns *and* Accessories
Burglar Alarm Systems
Business Brokers
Business Consultants
Calligraphy
Camper-Supplies and Parts
Car-Washing and Polishing
Career Consultants
Carpet, Rug and Upholstery Cleaners
Chimney Cleaning and Repair
Chiropractic Doctors
Churches
Coin Dealers
Collectibles
Collection Agencies
Computer Dealers
Contractors
Copying and Duplicating Service
Credit Check

Cruises
Dancing Instruction
Dating Service
Delivery Service
Dictating Machines and Supplies
Dog and Cat Grooming Service and Supplies
Dog and Cat Kennels
Draperies-Retail
Driving Instruction
Drug Abuse and Addiction Treatment Centers
Dry Cleaners
Educational Consultants
Electrical Service
Electrolysis
Electronics Consultants
Engineers-Consulting
Floor Laying, Refinishing and Resurfacing
Florists-Retail
Fraternal Organizations
Furniture-Custom
Furniture-New
Furniture Renting and Leasing
Gift Baskets and Parcels
Health Clubs
Health and Fitness Program Consultants
Hearing Aids
Heating Contractors
Heating
Hospitals
Hotels
House Cleaning
Insurance
Interior Decorators and Designs
Investment Advisory Service
Investment Management
Investment Securities

Invitations and Announcements-All Types
Jewelers-Retail
Jewelry Designers
Kitchen Cabinets and Equipment
Kitchen
Laboratories-Dental
Landscape Contractors
Language Schools
Laundries
Loans
Locks and Locksmiths
Maids *and* Butlers' Service
Mail Order Houses
Mailing Lists
Mailing Services
Management Consultants
Manicuring
Manufacturers' Agents
Marketing Consultants
Marriage, Family and Child Counselors
Massage
Maternity Apparel-Retail
Men's Clothing and Furnishings-Retail
Messenger Service
Mobile Telephone Equipment and Supplies
Movers
Midas
Mufflers
Music Instruction-Instrumental
Musical Instruments-Renting
Nurseries-Plants, Trees, Etc-Retail
Nursing Homes
Nutritionists
Office Furniture and Equipment-Renting
Opticians-Dispensing
Optometrists

Packaging Services
Packing Materials-Mechanical
Party Planning and Services
Pest Control Services
Pet Shops
Photographers-Aerial
Photographers-Commercial
Physicians and Surgeons
Pizzas
Plumbing
Pre-Schools
Printers
Psychologists
Publishers-Directory and Guide and Guide
Racket-Restringing *and* Repairing
Radio Stations and Broadcasting Companies
Real Estate
Real Estate Loans
Real Estate Schools
Recording Service-Sound and Video
Religious Organizations
Resorts
Restaurant Equipment Repairing *and*
Servicing
Restaurant Equipment and Supplies
Resume Services
Roommate Referral Service
Savings and Loan Associations
Schools Academic-Pre School and
Kindergarten
Schools-Business and Vocational
Secretarial Service
Security Systems Consultants
Shoes-Retail
Shopping Centers and Malls
Signs

Singing Telegrams
Sports Promoters and Managers
Stables
Stamps For Collectors
Stock and Bond Brokers
Storage
Swimming Instruction
Swimming Pool Service *and* Repair
Tax Return Preparation
Telemarketing
Tennis Clubs and Tennis Instruction
Travel Agencies and Bureaus
Tree Trenching *and* Trimming Services
Typesetting
Typewriters-Sales and Service
Veterinary Hospitals
Video Sales and Rentals
Vitamins and Food Supplements
Water Companies-Bottled
Wedding Chapels
Wedding Consultants
Wedding Supplies
Weight Control Services
Women's Wearing Apparel-Retail
Word Processing Services

Great Examples

Here are some great examples for your perusal of how other companies have used direct mail in their promotions, incorporating tactics that zeroed in on their particular situation. They offer their mistakes as well as their successes. There may be a winning idea here for you!

Retail

David Carrington is a software manufacturer and has two retail stores. He mailed an article on his stores to 3,000 prospects at a cost of about \$5,000. Was it worth it? This campaign generated \$70,000 in revenue!

Clothing -Endorsements and Partnering/Apparel Marketing

Tom Stewart, owner of Level 10 Sportswear, sent out 1,400 direct mail pieces to clubs for their pro shops and meets. Seven percent responded to the letter and 75% of these respondents placed orders.

The bottom line is that this mailing generated 75 new clients whose initial orders totaled about \$50,000. Based on programs to be implemented for the fall, annual sales for these new clients would be about \$187,500. Tom met David Carrington, who endorsed Tom's products to the vice president of a chain store. That yielded a test order totaling \$6,000. If successful this test will easily yield about \$200,000 based on a minimum chain-wide buy.

Update: Tom will be making even more money than originally thought, as the stores have begun to reorder and will continue to do so! In addition, Tom is going to be partnering with *In-Shape* and *In-Fashion* magazine to exchange banner links on their respective websites. In exchange, the magazines are giving him \$48,000 worth of free color advertising.

Telemarketing/Accounting

Dennis Bridges, CPA, states that by following up their direct mail with telemarketing, they have increased their campaign response from 1% to 3.5 to 4%. This represents about six new clients per month, up from one or two. The gross income per case is \$3,000-\$4,000 per month — not including future services. This has resulted in an increased income of about \$4,000-\$16,000 per month just on the front end.

Contracting

Larry Gosnell, of North Platte Glass Inc., a windshield installer, has increased his business 297% since last April. How? Direct mail with a telephone follow-up. In February, he ran a live remote on the radio and called for a direct response. February was a record month for Larry and May sales were up 366%!!!

Retail Office Supplies

Ott Chin used a very simple direct mail letter of two sentences telling customers how much he appreciated their business and received a 20% increase for his business in April. In general, his business is up 35% over last April... he says it's all because of Jay!

In addition, Ott crafted a brilliant "Jay style" direct mail piece for his brother, whose shop would be going out of business. The result was that, in the seventeen days that they had left

before closing the shop, the sales were equal to the sales of three and a half months. A reporter from the *Houston Chronicle*, impressed with Ott's letter, did an article on them, which increased their sales even more.

Consulting

Randall Evenson's consulting company sent out 62,000 pieces of direct mail. They are currently at work on these leads... which had a 6% response rate.

Marketing Consultant

Diane Armitage sent out a new letter to current clients. Two clients increased their service contracts with her, resulting in an additional \$24,000 (\$8,000 up front and \$18,000 over the life of the agreement.)

Diane also has been working on Franchise and associate campaigns for some RE/MAX regional owners. So far she expects this work alone to net "Write Brain," her company, an additional \$94,000 in net profit by the end of 1998.

She also sent out a letter to prospects offering to do PR for them. This generated \$32,000 (\$8,000 up front and \$24,000 over the next six months).

Dentist

Rodney Burge, D.D.S., has brought in three to five additional patient visits per week by doing reactivation mailings. He has also tested his telephone reactivation with existing clients this past March, which yielded a productivity increase of 300% compared to last March. His first quarter for 1998 is up 102% from his first quarter in 1997!

Retail Kitchenware

Muriel Hart used my techniques not simply to grow her own successful business, but to teach her daughter Sharlot as well. Sharlot wrote a grant application to the Presbyterian Synod for funds to bring church youth to Phoenix to work for a week with "Habitat for Humanity." She was awarded \$11,000. So Muriel's success story is "teaching her daughter how to fish will feed her for a lifetime!"

Manufacturer

Carl Haggar makes kitchen accessories and sells to retail outlets. He found that sending a "summer special" direct mail piece to his existing customer base and following up by

telemarketing, yielded him a 5% rate of return. He feels that their greatest success has been with old accounts that have not been active for over two years. This campaign has brought back close to 100 dormant accounts!

Insurance Brokerage

Richard Crebs is reaping the rewards of “really targeted mass mailing.” He sent 4,138 pieces and had 221 responses. The ultimate residual value, over nine years, looks something like this: $221 \times 40\% = 88$. $88 \times 805 = \$70,840$. $\$70,840 \times 9 = \$637,560$ In Richard’s words: “Not bad for a \$2,542.72 hard cost investment.”

Marketing Consulting

David Young uses direct mail and fax broadcasts to generate about 80% of the new clients he obtains. His business has grown over 300% through testing the pieces he sent out which more effectively targets potential clients.

David also reports that one of his clients has had “...an astounding, heart palpitating, nearly 614% increase in sales in less than 90 days!” He rewrote 75% of their print ads and direct mailed with “killer copy.”

This catapulted sales from \$35,000 per month to \$171,000 per month. He revamped the sales process for two of his client companies, working with their people on cross-selling and up-selling strategies. This improved the “inquiry” to “conversion” ratios, resulting in a \$54,000 increase in sales in the first month alone!

School of Taxidermy

Dan Bantley has found that since he has polished up his letter on USP, used risk-reversal and followed up with prospective students, his tours and requests for further information have gone up by 50% from the same “slow” period last year.

Retail

Barry Schuster sells furniture to schools. In April, he mailed out information to all School Food Service Directors in Florida using referrals and testimonial strategies. Within three days, one School Food Service Director called him for an interview to renovate her dining rooms (2 high schools), two other directors mentioned the mailing to him and are planning to make additions in the summer. Barry expects these contract accounts to yield \$45,000 in sales of which \$15,000-\$18,000 will be profit.

Retail Motorcycles

Michael Gill used the multiple referral system very successfully in his cycling business for the “I’ll be back” customers. He did this by offering a premium prize such as a leather jacket. Salespeople keep entry forms in their pockets, and this makes it easy to get the “I’ll be back” customer’s information.

A letter is sent out the same day, and then two days later they do a follow-up phone call. The results for six weeks so far are: out of 111 “I’ll be backs” 52 did come back and 24 actually purchased. On an annual basis this program alone would increase GP by \$42,000 based on last year’s sales history. Last June sales totaled 42 units. This year the goal was 60 units and they reached 57 units.

The salesmen also report that the new selling method they are using is more relaxed and enables customers to open up even more, which makes for an even closer relationship with their customers.

Newsletter for Photographers

Shawn Dreger sent out four different variations of his direct mail piece to photographers. He sent 100 letters of each type, and response on the variations went from 1.2% to 19%. He is pleased with the 19% yielded by the one variation and by following up with telemarketing. He is confident he will get some new subscribers.

Interior Designer

Cheryl Bartlett sent out a “Pre-Holiday” sales letter to her inactive clients. There was a 10% response rate to the letters, which resulted in an additional net profit of \$14,500.

Landscaping

Tony Bass sent out a mail piece to a select group of his clients offering an outdoor Christmas decorating service. This letter (sent to his clients who purchased this same service last year) had already brought in a 70% renewal rate by early November.

Tony also did mailings offering a CD-ROM version of his book system. At price points of \$550 and \$595 he got a 2-3% return, but when he tried a price of \$495 the first mailing pulled 7%.

He also sent out a letter to 45 of his existing clients to collect a “year in advance” of lawn maintenance services. He did this mailing during the season when his company’s cash flow is the most challenged. In less than 30 days, he received \$50,000 while increasing the price on 25% of the 45 clients.

Marketing Consultant

Joe Nicassio was able to increase sales 600% within 90 days for a client of his by using a sequence of call, letter, letter, call, letter, letter.

Remodeling — School Furniture

Barry Schuster did a mailing to school safety directors and facility managers to let them know about the special foam safety bumper for TV mounts that he had available. This not only generated a lot of positive feedback, but also brought in \$3,900 in business with orders continuing to come in.

Barry also recently did a mailing to previous customers to introduce them to a new product that was now available — a menu board incorporating nutrition educational features. New business received so far is \$10,200 (50% of which is profit).

Dentist

Dr. Tim and Sue Dotson sent out a letter to patients (who had not had an exam in the last year) offering a free exam if they responded within ten days of receiving the letter. The mailing was just done at the end of June, but the results so far are nineteen calls with fourteen appointments set, and the telemarketing follow-up has produced an additional sixteen appointments. They also did a mailing to inactive patients, received five calls resulting in five appointments, and return on investment \$3,000 so far.

Sterilizer Equipment for Dentists

Shlomo Savyon sent out 3,000 letters to his existing clients. About \$3,500 in gross sales (35% gross profit) continues to be produced every week as a result of this one mailing.

Photography and Printing

Dave Woolsey doubled his profits on one postcard mailing as opposed to another. The cost of the mailing was \$18 and two hours of his time.

Retail Gourmet Kitchen Accessories

Muriel Hart began selling a product called “Mystic Maid” (for \$11.98 each) in December. She leveraged December’s product sales to devote the entire front page of her February newsletter to feature the product. With orders continuing to come in, over 5,000 “Mystic Maids” have already been sold.

Jewelry Retail

Wink Jones generated an extra \$20,000 during the Christmas season and \$16,000 extra during Valentine’s Day by doing mailings (costing less than \$ 1,100) to his existing clients. He offered various cash prizes and a certificate for \$50 towards merchandise purchased within a certain period of time.

Trainer

Greg Gibson did a two-step mailing. First, he sent out a postcard giving a “heads up” to let his clients know to expect his letter. Then he sent out the letter (which described new programs and products that were available). This increased his workshop enrollments by 40% adding \$3,185 additional revenue for this event. This mailing, along with a promotion he has with www.freeaudiotapes.com, increased home study tape sales \$4,500.

Entertainment

Comedian Adam Christing sent out 1542 letters to previous clients (the cost of the mailing was one dollar per letter). To date, he has received 16 bookings totaling \$5,952.

Entertainment

Bill Kerwood sent out an eight-page letter that highlighted the benefits of utilizing his services versus the competition’s. This pulled a 20% call back and added an average of \$510 per week. To follow up that letter, he then mailed a one-page ad, and he doubled the results he got from the first letter.

Manufacturing — Precast Concrete

Tim Achenbach and Harry Earl did a mailing to new prospects, which consisted of a personalized letter, hand stamped, with no return address. All of the letters were followed up by a phone call. Up to this point, of the 2,864 letters sent and calls made, 18% responded with 28% of those wanting to do business. This has generated over \$360,000 in brand new business.

Tim and Harry also did a direct mailing to new prospects and followed that with a telemarketing campaign. To date, of the 2,233 calls made, 11% were interested in doing business, and 8% gave referrals, yielding over \$213,000 in new business.

Financial Services

Joseph Janiczek has found a way to increase seminar attendance for his financial services company, by mailing 5,000-6,000 seminar invitations monthly. This added 5-10 clients per month, on average. So far, 18 new clients have been added in 1998 — with more in the works. Teamed up with an associate, Joseph held a seminar.

They sent out 400 invitations to our own prospects and 85 to our associate's prospects. Associates' list yielded seven responses, five actually came, and all five made appointments! Our own mailing list yielded 20 more attendees and 16 of them made appointments. Out of a total of 25 attendees, 21 set appointments for a total of 84% — this is an all time record for them!!!!

Since they have begun pushing for referrals, they have received a total of 26 from April-June. In 1997, they only had 34 referrals — total!

Marketing Consulting

Robert Middleton has used e-mail and the Internet in addition to referrals to increase his conversion rate and his repeat business. The result is that his net revenues are up 62% from the same period last year.

Plastic Surgeon

Dr. Nikolas Chugay promoted special offers (for surgical procedures) in his quarterly newsletter. Results so far: eight surgeries totaling over \$34,000.

Retail Distribution

The biggest challenge Iqbal Kalla faces in his industry is getting his product into the stores. His solution was to test a direct mail campaign which targeted buyers at select retail stores. It worked stunningly! Iqbal's company now has distribution in Rite Aid, Giant Food, Thrifty, Payless and Kroger, among others!

Landscaping

George Platt's commercial printing business generated 10 new clients for the month of April and 10 new clients for the month of May. How? Referrals, of course! George implemented a sales contest for his direct sales force in order to generate more referrals.

Locksmith

Nick Kokoron did a mailing, which was a special offer on dead-bolt installation. He targeted homeowners that were in the same area where a home burglary recently occurred. (He looked in the newspaper section listing police reports of crimes.) There was a 10% response rate to the mailings with the first month's sales equaling \$4,000 and the second month totaling \$6,000 in sales. The overall profit was 60%.

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.

Boy Scouts

Dave Graska mailed a fund-raiser request letter to previous donators. So far, \$7,130 has come in, with total expenses being less than \$1,800.

Contractor — Construction

Bob DeSalvio sent a letter and brochure to past clients. He followed up with telemarketing and sales increased 40%.

Publishing - Pre-press services to book publishers

Selected 150 publishers from a list he thought would be most responsive to his mailing. He wrote a one-page letter that basically described how great his company was. Response to this initial mailing was very, very poor.

He then decided to write a three-page letter that educated his customers as to how he had improved his services, his extra steps to quality control, and a 25% discount if services were ordered during the month of September, a particularly slow month for him.

He followed up with phone calls and discovered that his target group loved the letter because it was so informative! Results: one day his fax machine never stopped receiving orders! He booked more orders in one week than he had the previous four months!

Computer Software Company

Sent a letter to people who sent in their warranty cards. The letter said, “Thanks” and educated them to the specific features of the software program they’d bought, and had a frequently-asked question and answer segment.

In addition, they sent them a listing of one month’s special bargains with a 60-day satisfaction guarantee. Their offer was an upgrade of their existing software program that usually retails for \$149 reduced to \$99 with a 60-day guarantee. Results: a 36% return on the first mailing and a 50% return on the second mailing. Both resulted in \$45,000 in increased profits.

Accounting Software Company

Mailed a one-page letter inviting people to a free breakfast meeting. Results: an additional 67 people at a presentation about their software product representing an additional 40 companies and many, many new customers.

Audio Tape Catalog Company

Used direct mail to bring in new customers at an initial loss. They calculated the lifetime value of a customer and ended up making a substantial profit in the long run.

Result: This company has become one of, if not the largest, audiotape catalog company in the U.S. — highly profitable!!!

Entrepreneur

Used direct mail to grow his company 400% larger than when he used only advertising. His declaratory lesson on direct mail marketing: “Continue to test headlines, prices, offers, and copy. Notice the results you are getting and correlate the results to the tests you are conducting; always test, test, and test some more!!!”

Kitchen Accessories Store owner

Mailed a schedule of proposed cooking classes to her customers. She included gift certificates for \$25 off on purchases of \$100 or more. (Her typical purchase was \$45.)

Results: Sales skyrocketed! Her secret ingredient: you must write in a way that your customer can and will appreciate: educational, call to action, and informative.

A Safety Specialist Firm

Sent out direct mail pieces in a controlled fashion, all of it trackable and accountable. The direct mail pieces had money back guarantees, an 800 phone number to respond to, same day shipment of safety products.

Through their tracking methods, they eliminated the people who do not buy, and repeat mail to those who do buy their products. Sales have been incredible!

Realtor

First used direct mail postcards for name recognition; had her name on it and her face. Then she moved on to mailing pieces monthly that set out to educate her potential customer: She had her CPA write tax information, her insurance man wrote articles, and she wrote real estate news.

This established her as a real estate expert, a resource and an ally and business soared! Now she has an 800 number where people can call in and request specific articles. Business continues to soar.

Fabric store owner

Owns and operates probably the largest fabric stores in the US. His mailing list is 200,000 names, so just saying, “Hello” cost him about \$50,000!

He didn’t track where his customers came from at first, but then began using coupons. This enabled him to be much more cost effective in mailing specific items to specific target markets. This raised his response to his direct mailings from 1% to close to 10%!

Travel incentive certificates

Used direct fax as opposed to mailings. His responses went from 2 to 3% in his mailings to 4 to 5% with his faxes!

He got his initial list from “Phone Disc” (a computer CD database available everywhere) but this was somewhat limiting. So he then called the names listed in the phone disc list and asked questions and expanded his list’s effectiveness greatly.

In his mailings to other travel agencies, he gave them certificates they can give to their customers to stimulate purchasing through his company. Their — and his — profits continue to grow. Consequently he has also landed his largest customer ever which will result in \$500,000 in business this year!

Kitchen Accessory Store Owner

Offers cooking classes to stimulate interest in her store. In her direct mail pieces, she offered \$25 off on a companion’s enrollment in the cooking class as well as a complete satisfaction guarantee with a full refund if the customer was not satisfied with the cooking classes. If they registered for four classes they got the fifth class free! Results: A 400% increase in enrollments!

A Cattle Breeder

Added a whole different perspective to back-end! He used to have a great artist do a beautiful brochure, and people would call and comment on the beautiful pictures — but no sales!

Their market had dropped 25% and prices were down 25%. Trade was in the tank. He then constructed a letter with a compelling headline and offer for a substantial discount at his bi-annual bull sale and was honest about admitting to a slow market.

Then sent this letter to his existing and past customer lists, offering them a discount, educating them to the problems and solutions of being in the cattle industry. Sales were up from 40% to 70%. He made \$50,000 to \$60,000 in increased profits by mailing to his existing customer base of only 300 customers!!!

Volvo/Mercedes Benz Dealership

Mailed to current prospect and owners lists making specific offers in his mailings such as an incredible deal on a cellular phone — but only if you take a test drive. His studies showed that 50% of the people will buy after going for a free test drive and taking him up on the offer for the cellular phone.

Nutritional Health Science Courses

Used a postcard folded in two, with a postage paid portion wherein the prospective could request information on a free subject.

They would mail the free information to the customers along with a mini-catalog of eight other items (ranging from \$29.95 to \$1,200) that the customer could pick from to purchase. They received a response rate of 13% to the free information offer. Then 13% of those responding were converted to purchasers. They made a ton of money!

Signal Systems Company

Bought a mailing list of 14,000 dealers who potentially would use their product. Using an over-sized postcard (5" x 8") encouraging people to call in and listen to a two-minute informative message, 5% of those mailed to left their names, addresses and phone numbers. Of that 5% group, half bought. Result was an average of six new customers per month at a cost of \$1,500 and a net return per new customer of \$6,500.

Photographer

Mailed out a 16-page catalog displaying all of his great works. The response rate was 15%. This little two-man office has generated a nifty \$200,000 in photography work just from their direct mail efforts — and in a mere three weeks!!!

Realtor

Sent out 2,500 pieces every month to sellers who are on the fence. The “free” piece is an informative newsletter. He also sells his database to allied companies who could benefit from people who move — for example, home insurance companies and moving companies. This pays for his mailing. His profits are up about a third!

CPA

Decided to sell commercial insurance via direct mail. He mailed 400 letters. He received a response rate of 6%. For a mere cost of \$350 he generated about \$900,000 in insurance premiums!

Real Estate School Owner

Sent a newsletter to repeat business customers and also to real estate agents who needed continuing education credits or courses. (Previously, he only offered services to people who wanted to be licensed as Real Estate Agents, or to “New Agents.”) He mailed his newsletter

during the time when the real estate market crashed. Results: He recovered all of his lost profits as a result of the real estate market “crash.”

Car Dealership

Stuck with three 3-year-old, but brand new, Land Rover vehicles, they decided to generated a letter to 1,500 customers — people who had bought Mercedes Benz's, BMW, and Land Rovers. They offered a test drive on highways and off-road. They ended up selling 12 cars including Mercedes Benz's and BMW's for a mailing that cost about \$600!

David, customer of Nightingale-Conant

Has been a satisfied customer for 12-13 years for several important reasons. He is very happy with their customer service, as they will replace garbled tapes at no charge and let you preview tapes before billing you. They have a satisfaction guaranteed return policy. These benefits have kept him a satisfied buying customer all these years, as he has returned for more and feels good about recommending them to his clients.

Mail House

Acquired new customers at an initial, substantial loss with large mass mailings. Typically, they mail customers 20 times — or forever — if they have a creative piece, on a schedule of one each week for 20 weeks. If you lose \$5 to acquire a customer and average \$.50 each time x 20 = \$10 gain.

List rental very important in this industry. “We receive ten million orders per year = \$1 per name = \$10 million. We are a low ticket, mass mail business. It's the kind of mail you see every day, headlines like, ‘You're a Winner,’ ‘It's Your Lucky Day’... We generate ten million leads for large corporations. We have a method for acquiring leads for their clients. For instance, on one account, Craftmatic, we'll send out to 21 million names, with 100,000 pieces mailed each day.

“For the last five years, no customers have been brought in initially at a profit. However, mail houses typically run at a loss on first time buyers. Time to break even is increasing, 60, 90, 120, 150 days. Capital is becoming more of a problem. Trade journals and magazines are getting too costly. The cost of investing is increasing. However, the greatest advantage we have is the potential for residual income, the predictability and the increasing universe of names.”

Health Program

Used a two-step mailer — a postcard folded in half, the address of the prospective client with postage prepaid for response on the reverse. They offered free information, which they sent back with eight other subjects to choose from. Often from the second request the prospect bought the program. Response was substantial — a 13% response from the initial postcard, 14% of which then became buyers.

Seminar Business

Input their seminar attendees into their database. The first direct mail piece was an offer to 150 clients to respond before a fee increase. Out of that they received 13 responses, closed 11 at an average sale of \$2,000.

Recently they sent a letter to 1,400 names including seminar attendees, mail or phone inquiries or future attendees with reservations for a seminar. They sent a follow-up postcard and hired a telemarketer. In the first week, they received seven mail responses and seven phone responses (and they're only on page eight of names out of 56 pages.) totaling 14 appointments, which translates to \$28,000+ return on investment.

Portrait Photographer

Did a mailing of about 1100 with five or six different pieces, depending on whom they wanted to target, the senior students or the parents. The package was very successful. First, prospect were invited to bring a friend for a photo session and receive a free 11 x 14 photo.

Second, an offer was sent to the parents to take a family photo and receive a free 11 x 14 photo. Third, they followed up with a “time is running out” postcard. They got about a 15-30% response and they're not even the high school's contracted photographers!

Marketing Consultant

Had a client who hated sales people, mainly because they never close the sale by themselves. He designed very elaborate rock waterfall swimming pools and personalized each pool by drawing for each client their favorite place, e.g., if they like Maui then he made it look like Maui.

He closed every client. So he made a video of his examples for potential clients. Instead of employing salesmen, he blanketed an area with a direct mail video of his pools to the surrounding homes where a pool was just put in. He closed every inquiry! Another highly

targeted approach he used was to direct mail his video to very expensive homes that had just changed ownership. He's batting 100%!

General Business

Had tested a few letters over the years. The most successful approach was to make the first sentence a question. Then, they highlighted the main concepts or ideas in yellow and made notes off to the side saying "Sounds great!" or "Are we doing this?"

Most importantly, they used the P.S. The best working P.S. — "What do you have to lose? Sign up today, if for no other reason then to find out what your competitors are doing!"

One recent mailing like this to 1,400 companies got 17 responses, and six appointments, (one of them FedEx!) Each company averages being worth \$200,000-\$500,000 at the close.

Medical Diagnostic Company

Sent letter mailer to doctors in his region and followed up with a postcard — and received \$450,000 in orders, with \$400,000 pending. The company was eventually sold to Revlon for an eight-figure amount! That silly postcard mailing was a part of it.

Attorney specializing in Real Estate Law

Targeted hotels or resorts worldwide that were repossessed by the lenders. The banks had to contract a management company, who often are the only ones that come out ahead because it doesn't matter if the hotel is making money. The management company takes anywhere from 5 to 8% of the gross. The lawyer negotiated a new contract, since they are often hard to get out of or arduous. He built a multi-million-dollar practice.

Realtors are not terribly adroit at marketing. Yet they'll blanket an area with a mailing every month and make \$200,000 every month by being prominent.

Audiologist Practice

Was going thru a growth spurt and hit the ceiling. They ran display ads with headlines saying "Risk-Free Trial" in the newspaper and got a 45 to 1 return. With direct mail they got about a 30-35% return. The headline in mailings is different than the one in the paper because patients already trust them. The mailer headline read, "New Breakthrough, If you don't hear better, you pay nothing!"

Karate School

Tape-recorded the owner telling all he knew about karate and its benefits, then edited what he said into a detailed, informative and educational letter. He concentrated on how karate builds a child's confidence and self-esteem.

The four-page piece was sent to a mailing list of families with children from the ages of 5 to 11 years old with household incomes of \$35,000 or more. They tested the letter to 100 families, which cost \$32 in postage. Usually, Valpak got a 1% response for their ads. From 100 families in the test, they got back 20 replies and made \$18,000.

Jewelry Manufacturing

Sent last minute fax offers around the holidays, running their fax for 35 hours straight, and sold a lot! For the last 15 years the company has had two to four salesmen, earning over \$100,000 a year. They began selling through direct mail without any salesmen and sales are up 5%!

Co-op Marketing Retailers

Held private sales. A letter was sent out to zip codes, homes with certain incomes, announcing four-hour private sales from 5:30-9:30 pm on Thursday nights, since that's the night that works best. Sales from that night brought in \$120,000, \$70,000 and \$50,000. One reluctant co-op retailer sold \$320,000 in one night!

Podiatrist

Sent a newsletter called "Foot Health News" in two ways, by zip code and in the *LA Times* and *Daily News*. Gets a 10 to 1 return up front, not counting the residual value. The direct mail cost \$.30 vs. the newspaper = \$.15. The return is the same; there is just a cost savings with the paper. We send it both ways because we like to hit every household.

Soda Manufacturer

Remember the Diet Pepsi commercials on TV with Ray Charles, "AUH, HUH"? Well, it didn't do anything for Diet Pepsi sales. A new marketer for the soft drink came in and identified the demographics of the people who drink soft drinks, direct mailed affinity soft drinkers by zip code and gave them a valuable coupon to switch for one week. It worked fantastically (though a senior executive who didn't like direct mail canceled the program!).

General Business

Received an interesting personalized letter from a potential supplier the owner met at a trade show. He entered a drawing for a putter and was informed by letter that he didn't win. His name was in the headline — "Cooper Hopes Dashed." The owner thought it was so clever to personalize the letter that he is going to use the same approach in his business.

Lexus Car Dealer

As an example of direct mail and host beneficiary, the owner of the dealership approached Citibank for purchase of their Gold Club list (all having \$225,000 or more in the bank) knowing they would be hot prospects for a Lexus. Citibank refused, saying it was confidential.

He then asked if they would be willing to send the mail piece confidentially if in exchange he would give them his list of Lexus owners for the past five years, since they would be hot prospects for their Gold Club. Citibank agreed, and the direct mail letter was sent out with a key to a Lexus enclosed.

The letter stated that if the recipient came in the next month, and their key fit the Lexus on the showroom floor and they bought it, the dealership would give their wife or girlfriend a Celica. It worked like a charm. The ones that liked the Lexus came in and the ones that didn't were dragged in by their wives! Sales were up 200% after event was over.

Catalog Business

Sent 80,000 catalogs in three months looking for a 1% return, and got 3/4% response. The piece was reworked and got the same response. They then went to an ad agency that produced a beautiful layout, which was sent out without testing. They got only a 1/4 % response. Testing *is* important.

Duty Free Airport Shops

Ran a TV campaign prompting the audience to call in on their 800 number for information on items available and a listing of their duty free shops at the airport. They followed up by sending 21,000 frequent flyers a direct mail piece with a coupon encouraging duty free shopping.

Color imaging for Publishers Global Color

Dealt with the color artwork transparencies for publishers. They sent letters to publishers, explaining their great service at competitive prices. The letter bombed, and through follow-up calling, deemed “unmemorable” since it sounded like all the other letters they receive.

The letter was reworked, extending it from one to three pages, explaining the extra steps they took, the careful processing, attention to detail and quality control. Recipients were given a 25% discount and if they responded before September (the end of their slow season). In follow-up calls, recipients remembered the longer letter because it was different and informative. The company fax machine ran for four days continuously with requests to quote jobs from that one letter.

National Magazines Subscription Mailing Company

The British company went to a creative agency dealing in direct response and did a test mailing of 50,000, a beautiful layout that cost £60,000. It bombed and nearly wiped the six-month old company out.

They then did a test of 3,000 names to three different mailing lists totaling 9,000. 3,000 were mailed in July (typically their worst month) and got a 1% response. The same piece was mailed again in September (typically the best month) and got .2%. The moral? Test small, be cautious, build on your list or add only after a good response.

Specialized Information Business

Only has 15 customers (but they pay a lot) and has 65 more contacts who like to keep informed. They use a PC fax program set up to send every two, three, or four weeks. The faxes go out every Friday night and result in about 50 phone calls, thanking them for the information that they can use in their business.

British Newsletter Business

Sends a green window envelope (just for something different) and a brochure. The font in the brochure is recognizable since it is the same one used in the newsletter the prospects already receive. The letter asks for response and is signed by a fictitious figurehead named “Frazier Neal.” It works! For the investment of £800 for the mailing, it produces a ROI of £7,000 pounds.

Mail Order Company Nightingale-Conant

Relies on direct mail for their growth core. New customers are brought in at a loss, (virtually all large mail order houses work this way) so it's essential that they know the

customer's lifetime value. To develop, the company must have an orderly system for following up with new customers.

What's their secret? Don't treat every customer the same. Appeal to their affinity. Tailor follow-up strategy to the customer. Direct mail message is tightly controlled, targeted and tested. Once you find what's effective, roll it out. It now works when you don't. It can now be set up so average people can execute it for you while you sit back and reap the rewards.

Their suggestion is to "Mail until it stops working — mail 100 times to a buyer. If you have something to sell and something to say, you should mail it. Start with twice a year and increase from there."

Start up Businesses

Three national start-ups were primarily grown with advertising. Their direct mail campaign was wildly successful, using an 80,000-person list, the average sale was \$120 with a 2.5% response rate. Although the companies tested and failed several times, results grew at astonishing rate when the correct formula was discovered. (Out of 30 tests, five worked — those winners made up substantially for the effort expended in testing.)

Senior Housing

Sent a tent postcard designed with returns with follow-up. Their target was adult children, five to ten miles from the housing property with an income of \$50K to \$60K. The copy on the piece was an overview of the facility's services. Recipients were given a price incentive by date, and the mailing was followed up with phone calls.

The campaign was tremendously successful, drawing a 15% response. They now devote 25% of their budget to direct mail. Their advice: "If someone responds, constantly stay in contact. You never know when you will hit their buying cycle. Be consistent."

Retail Store: Kitchen Classics

Had a good list. Their customers' standard purchase was \$45. The store sent a gift certificate for \$25 off \$100 purchase, which was very successful. The accompanying text has to be written in a way that the customer can appreciate the value of the store's wares.

General Industry Company

Feels that direct mail allows international penetration. They experimented and lost money on their campaigns for 11 years, but finally developed a good letter and a good list. They now gross \$8 million. “The key is developing the right list and the right letter.”

Photography Company

Targeted high school students. Although they didn’t hold the contract with the school, they still stole business from the studio that did. Their method? They sent a postcard beginning in June for a free sitting if the customer bought 48 wallet-sized photos.

Their response was profitable, and the mailing itself was inexpensive. A second mailing with a lesser offer also drew a profitable response, and a third mailing to the same list bore the message, “Time is running out.” The third card drew almost as well as the second. The fourth mailing to the same list was mailed at end of year, also drawing good response.

Cargo transportation

Used a software program with pre-written letters, helping them stay in touch with their customers. They sent two letters to prospect, the second with more information and informing the recipient of an upcoming phone call from the company. Their system of continuous contact opens door for their sales people and ultimately converts prospects to customers.

Studies show that five to six contacts will lead to a close. Notice the magazine industry, and the huge number of follow-up renewal letters. They know a finite number will respond to each successive mailing. They have tested down to the last letter. Direct mail controls impression that your prospect gets.

Natural Products Cleaning Company

Marketed their upscale products to new markets in the hotel amenities industry. They targeted the general managers and managers with a four-prong approach: 1. They sent a letter and response card for samples. 2. They followed with a letter from the President. 3. They then sent a postcard reminder with bullets. 4. They then sent samples to respondents.

They drew an impressive 30% response rate wanting free samples. The high pricing of their product was a huge obstacle, but the company then reconstructed their copy to convince prospects of their higher value with great success.

Vacuum Gauge Manufacturer

Used a direct mail campaign of user testimonials mailed to their own list of 15,000. Their cost to develop the mailing piece was \$20,000, and the campaign took the company from \$500,000 to \$2 million. 95% of their copy is testimonial-based, and they offer six photos of current users on their website.

Luxury car dealer

Had three Range Rovers in inventory for which they expected to take a loss. They sent a letter to their owner base offering a demonstration test drive thru mud. They sold the three and eight more, and also sold Mercedes and BMWs, resulting in \$500,000 in sales from this single campaign of 1,500 letters.

Mexican restaurant

Advises that “If you can break even, mail it all day long. It creates a dynamic. Do anything up to allowable cost that works. 75% response to 500,000 names can be better than 3% to 15,000. Your budget is unlimited as long as you know depth of back end. But you have to have a mechanism in place, a follow-up program to bring people, from a first-time user to ongoing client. You must know the lifetime value of your customer, or you’re blind.”

Industry CFO

Advises that “Direct mail creates consistency. Individual transactions vary significantly, but direct mail ROI is better than any other investment, even if you lose the first year.”

Direct Mail House

Advises that “The Standard Rate and Data Service indexes 40,000 lists. Their direct response lists are better targeted than compiled lists by up to 20 times.”

Auction Company

Mailed 1,500 catalogs from a trade journal list and got 30 responses yielding \$20,000 in two weeks.

Magic shop

Used lead generation thru the Internet. They mailed a 16-page catalog to responsive buyers and included their newsletter with great success.

Financial planning seminar

Had tried placing a newspaper ad with no success. They direct mailed the same ad, sent as tear sheet with a yellow sticky note with hand written message saying “Worth attending” and signed by “J.” The mailing pulled 500 people.

Volvo dealer

Recommends that direct mail focus on a specific product — in their case, on a model. They mailed to their customer and prospect list and tied the mailing to an upcoming event, knowing that 50% of professionally handled test drives result in a purchase. “Letters should not be self-serving, but fascinating, and then the recipient doesn’t feel insulted by the frequency. With a high-ticket item, you can’t send enough information.”

Real estate

Sent 2,500 pieces per month targeting sellers “on the fence.” They followed up with a phone call and increased their response by 33%.

Privately-held mortgages buyers

Direct mailed first from newspaper transfer notices (200-300 names available each week). The cost to mail was \$90, and the buyers made up to \$10,000. They advise to mail every week instead of every two weeks.

Marketing consultant

Incorporated a three-step sequence: 1) They sent a long sales letter; 2) Three weeks later a slightly re-written letter was sent; 3) Ten days later a “final notice” was sent. The campaign developed a relationship by mail. Their lead generation was drawn from a provocative headline in their trade journal. Outbound telephone follow-up changed the dynamic, so they now say “Call 1-800 XXX-XXXX for a hidden secret.”

Property casualty insurance company

Mailed large employers and got a 6% response to 400 letters, resulting in \$900,000 in premium business. Their advice? “Human nature is immutable. People will respond if you give them the opportunity to let them respond. We find that our seminars draw three kinds of people — talkers without action, nonbelievers, and the minority are those who find that trying really does work.”

Manufacturing company

Was a \$1.5 million company in 1987. They hired a marketing firm who integrated their direct mail and telemarketing. The result was an improved image from the front door on in. They became a \$35 million company within three years.

Rechargeable light manufacturer

Offered their product through direct mail in conjunction with a five-step program. They mailed the decision maker with handwritten Post-it note, then followed up with a phone call asking if they wanted to try the product on a no-charge, no-risk basis. They then called a week later. They are now a \$4 million company. Their advice? “It’s a numbers game. Everyone won’t meet your expectations.”

Resort Community

Direct mailed their prospects. Knowing that people needed to see the property to make a decision, their goal was to get prospects to visit. They sent a 3-D brochure to previous inquiries. Aware that weekends always get lookers and buyers, they offered fun events for promotion, i.e., “Mystery Weekend,” “Comedy Weekend,” etc. 700 letters were sent, and they followed up with a phone call. A few people showed, and one bought a \$100,000 package.

When renting a list, it helps to know what prospects have responded to in the past, i.e., some respond to letters, others to catalogs, others to “magalog” format. It’s best to know the number of purchases and average purchase. A new buyer of your competitor may not have established loyalty.

Software Company

Sold through resellers. They direct mailed to their end users who they found through warranty card returns. Users got a thank you letter, were educated about their software, and given upgrade offers with a 60-day guarantee, e.g., \$150 upgrade for \$49. They drew a 36% response rate and increased sales by \$45,000. People really appreciated the communication.

Consulting business

Used direct mail including case histories, testimonials, and other services provided. They mailed 3,000 to 4,000 pieces three times a year very successfully.

General Accounting Software and Training Center

Sent 500 letters promoting an instructional breakfast to maximize the benefits of their software to the end user. The campaign drew 62 responses in 24 hours.

Marketing Consultant

Offered tapes, videos and manuals using leads coming from magazines and newspapers, which they plugged into their direct mail campaign. Their advice? 1. DM is easy way to widen your audience. 2. It doesn't alert competition to what you're doing. They suggest that you can identify a database and develop a product for that base, then run a "pseudo ad" to find receptivity before getting into that business. In other words, test the waters first!

Signaling Systems

Targeted 13,000 dealers as prospects. They sent 3,000 postcards per week bearing an 800 number answered by machine. 2.6% of respondents left their name at a cost of \$1,200 per month, resulting in revenue of \$8,000 per month.

Photographer

Targeted a list of 2,200 high school seniors by sending a catalog with options, testimonials and guarantees. Their response rate was 15%, at a cost of \$2,000, grossing \$200,000.

Insurance Agent

Used a list of 5000 non-selling independent insurance agents. They direct mailed with a message that if they wrote any business in the next 90 days, they would receive a gift. If they didn't write any business in 90 days their contract would be cancelled. They drew a very good response for reactivating non-producers and realized extra cash flow they never would have gotten. Lesson: Reactivate your customers and they will respond if offer is right!

Personal Development on Audio

Used direct mail to send monthly catalogs. They began with a solo piece promotion on a 30-day trial. Once a customer paid for first program they continued to market to that customer with great response.

Optometrist

Used coupon envelopes (through Valpak) at a cost of \$45 per \$1,000. Their ROI went from 6 to 1, to 14 to 1 and got 80% back in two weeks. The same ad has run for seven years with great success.

Aloe Vera products manufacturer

Struggled with direct mail for 18 years. They bought a printing company after having some success mailing their own product, and now are a list broker, lettershop and press, mailing 150,000 pieces a week. Their sales are \$10 million a year.

Suburban Group

Offer loans for survivors of deceased. They send a newsletter each month, mailing to a list of 2,000 resulting in \$5,000 per transaction response.

Institute for Financial Strategies and Estate Planning

Only had \$6,000 left. They tried direct mail on a gamble and got 75 seminar attendees and continued on to build a large business marketing and training Certified Financial Planners. They at one time borrowed \$30,000 to print and mail a \$12,000 brochure that did not include sales letter, which brought in 19 people. Lesson: You must have a compelling sales letter and follow up to increase response.

Real Estate practice

Evolved from postcard mailings. They first mailed for name recognition, consistently announcing sales or listings, then evolved into their own program of getting extra real estate advice for free. Their monthly mailer included a teaser question with tax and insurance information. Their next level asked for a direct response, offering a series of reports that could be requested from an 800 number.

Optometrist

Offered a magazine coupon to 600,000 households each month. The campaign was very cheap and drew approximately a .5% response, which translated to \$12,000 in business — a 7 to 1 ROI up-front. Their advice? “It has to be solid value, fast read and clearly articulated. Don’t stop marketing until it’s worn out. This piece is eight years old, and we’ve incorporated no changes! Your market is a moving parade. Don’t pull the plug if it keeps working.”

Fabric Store

Spent \$1 million in advertising spent per year. They mailed to a list of 200,000 names using coupons to flag responding names to which they followed up. Mailing only to those respondents gave them a 12% response, instead of mailing to the whole list of 200,000 again for a 1% response.

Travel Center Travel

Targeted businesses with incentive certificates to be given to their employees as bonuses or to their clients as a promotion. They got a 4-5% response on direct faxing (instead of direct mailing, which had in the past resulted in 2-3%). They landed a \$5,000 contract. They can't legally fax without permission, so they first called and asked for the prospect's fax number and documented the person and date, working from a purchased list of businesses with fax numbers thru Phone Disc.

Financial Planner

Sent a two-dollar bill attached to a letter and upped to a five-dollar bill due to the competition. He then switched to lire, yen, pesos and Chinese currency and actually decreased their cost to approx. \$.37. Even with the \$5, the mailing cost \$1000. Each mailing brings in one client and yields \$7,500 in commission.

Network Software

Tripled their sales by using a targeted list. Their lesson is simple: Get started!
Manufactured Housing Producer
Offered a free washer and dryer with your purchase of a home. He sent 200 letters, made 11 deals, and realized \$60,000 in net profit, doubling his business.

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.

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 12% 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 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 30-40 lists all of the time.

Dispenser Equipment

We got the 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 that 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 that 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.

Chapter Three: Public Relations

Public Relations is one of the best avenues to create new clients and revenue. Some businesses are complex and have professional constraints. PR is an ideal way to create a lead stream for your business.

What Is Publicity?

Celebrities must live on a steady diet of publicity. Politicians could never win an election without plenty of it (and some quit their campaigns if they get the wrong kind). Authors could never get on the best-seller's list unless they lived, ate, and breathed publicity. Any company with a household name has used it at one time or another. Fortune 500 companies pay around \$30,000 per month for publicity.

The public loves reading, seeing and hearing about publicity — whether they'll admit it or not. Sports pages are nothing but publicity. Shows like "Entertainment Tonight" and "The Tonight Show" are largely publicity vehicles.

Whether we like it or not, the very fabric of this society is sewn together by publicity.

So what is publicity? Publicity, as defined by the American Heritage Dictionary (Second College Edition), is:

- A. Information that concerns a person, group, event, or product and is disseminated through various communications media to attract public notice.
- B. Public interest, notice or notoriety achieved by the spreading of such information.
- C. The act process or occupation of disseminating information to gain public interest.

PR has three powerful benefits to you:

1. It gives you reprints that you can use to build credibility in your conversion packet (from prospects to clients).
2. It can make you a star in your industry or marketplace.
3. It can get you direct business.

PR becomes a powerful lead generator when you offer to give something away. You'll get contact information for the cost of your promotion (often free, as in a report) and postage — or you can ask for \$1 to cover postage, or ask the inquirer to send a self-addressed stamped envelope. And publications *love* when you give something away.

You can hire an outside PR firm, but be aware: they will want you to operate on their schedule, which may or may not fit your needs. One company's standard is that if the client is worth promoting, he ought to be able to do no less than ten shows per month. Would that work with your schedule?

You can do a great job of PR on your own if you're aware of how the game is played. And the cost of doing PR yourself is almost nothing. And when you create a 3% improvement here, and a 5% improvement there, and a 10% improvement somewhere else, you can create significant overall marketing growth.

In print media, one column inch of editorial space is worth one foot of paid advertising space. Why? Because of the power of third-party implicit recommendation (assuming that your article is positive, or at least neutral).

PR is usually not free. It's better to think of it as "earned media." You do not get publicity by accident. You get it by communicating your value and uniqueness through the channels of media that bring interesting stories to their clients.

But then again, sometimes it is free. With no monetary cost to you, your only investment is the time and effort required to attract attention to your business. Only a handful of companies are blessed with a multi-million dollar advertising budget or a household name. Even those who have been so blessed use as much free publicity as they can get their hands on. Why wouldn't they — and why shouldn't you?

Either way, public relations is one of the most powerful techniques available, and every business should use it fully.

Work the Publicity and Public Relations Machine to Your Advantage

How would you like to make \$10,000 with three days of work?

I can tell you exactly how, but there is, of course, a slight catch — you would benefit more if you're a service business. But don't fret if you're not in a service business, because I have some ways for you to make money as well. Whether you are a wholesaler, distributor, manufacturer, or retailer, you can increase your business through a simple technique called "promotion."

Here's how to collect that \$10,000.

Your city probably has a convention or exhibit center which hosts hundreds of conventions every year, and those conventioneers have needs.

For example, most centers require convention sponsors and exhibitors to carry a liability policy in excess of \$1 million. The convention center will happily supply insurance at a premium price, but if you're in the insurance business, you can supply that policy.

Conventions also require catering, entertainment, printing, and travel assistance.

But how do you make the \$10,000? Here is how an instant printer in Los Angeles did it.

A few years ago, this instant printer phoned the local Visitors and Convention Bureau and asked for a list of every upcoming convention, as well as the names and telephone numbers of each convention coordinator.

The printer looked down the list and saw a Small Business Expo scheduled. He called the convention coordinator.

"Hi, I'm Joe Jones, local instant printer. When you get to town you will probably have some printing needs, which I can take care of. I'll pick up your printing each morning and deliver it each afternoon."

The convention coordinator said, "That's great. No other printer has offered such service."

By the end of the three-day convention, the printer had made \$10,000.

Be Alert To Promotion Opportunities — Call Them

There's a lesson in this story — you must be alert to promotional opportunities. Most business people who are aware of conventions coming to town just send a formal letter saying, "If you would like our service, give us a call."

That's not the way to promote your business. Never leave it up to them to call you. You call them. Convention coordinators are busy. They will call only after they get to your city, and only if they're desperate. And, they usually look in the Yellow Pages, forgetting about your letter. But not if you call them.

I have an associate who used to work with the International Entrepreneurs Association. They held conventions in a major city each month. He tells me that in more than thirty months, they were never personally contacted by a service organization offering printing, photography, or catering needs. This is an opportunity for you.

For those of you who cannot earn \$10,000 that way, don't be discouraged. There are countless other ways to promote your business and realize a lot of money at minimal cost.

Anyone can learn to promote. A Gallup study showed that 64% of American men share the American Dream of owning their own business. And with the growing number of working women, I'm sure many of them would like to "do their own thing" as well.

However, the Small Business Administration will tell you that three out of four small businesses will go broke. You'll hear a lot of interesting reasons, such as a lack of capital or mismanagement. But I don't think that's why most businesses fail.

Most Businesses Fail Because They Neglect to Promote Their Business

Most businesses fail because they neglect to promote their business in three key promotional areas:

1. Public Relations or Publicity
2. Merchandising
3. Promotions

You can master these areas, and they're practically free. You might spend \$50 on hard costs, (I'll show you later how) but they have ten times the impact of any advertising.

The key to successful promotion is to know your market, and you don't need an expensive market research firm for that. It only takes common sense.

If you're a local retailer, where is your market? Unless your product is extraordinary, 80% of your customers will come from within five miles of your store.

If you're in a service business, where is your market? Most services draw way beyond that five-mile area. The last time you tried a plumber, where did he come from? Most service businesses cover an entire metropolitan area of 50 to 100 miles, sometimes even farther.

If you're in distribution and manufacturing, your market depends on what you're distributing and how fast you're distributing it. A manufacturer may have a national or international market.

Know Who Your Customers Are

Once you know your market and who your customers are, you can answer the question: What media, newspapers, magazines, radio stations, and television stations do my customers and prospects read or listen to or watch? These media will often promote your business for free and give you millions of dollars worth of exposure.

Local retailers' customers, within a five-mile radius, probably read a large, daily metropolitan newspaper and a suburban newspaper as well. They probably also listen to local radio and watch local television.

Which media reach a service business customer? Let's say you provide secretarial services. In a city like LA, your customers are service business professionals in that area. What media reach those people? *The Los Angeles Times*, the largest newspapers in the city, and several suburban newspapers.

What type of radio would reach a business professional? He goes to work in the morning and comes home in the evening — usually in a car, so radio reaches the business professional between 7:00 a.m. and 9:30 a.m. and again between 4:00 p.m. and 7:00 p.m. (Called "Drive Time.") During the day he's probably in his office, so during those hours radio is of no use to you.

But which radio stations reach the business professional during the commute hours? He probably listens to traffic reports or news, so all-news and all-talk stations will reach your market effectively. In your own industry, there are probably trade publications.

The restaurant industry has *Nation's Restaurant News*. People in the music field read *Billboard*, *Cash Box*, and *Record World*. GM uses a trade paper called *Automotive News*. (There are a number of other auto trades, but *Automotive News* reaches the whole market.)

Promote Your Business To Them

Once you know your market, your customer, and the media, you're ready to promote your business. The best way to start is through public relations or publicity (PR). Everyone has his own definition of PR, but think of it as advertising you don't necessarily pay for.

There are two kinds of PR. The first kind is "hard news." It's last night's crime, the election, etc. It's news the media has to cover now, before it gets too old.

Most of the TV nightly news is hard news. The same is true for newspapers — 90% of page one is hard news. Hard news will help with tie-ins, which we'll talk about later.

The second type of PR is "feature" news.

This is very helpful to small businesses. The media covers feature stories about business, people, and products that aren't time dated. They can run almost any time.

Jay Leno has feature guests all the time. They usually talk about their career, their product, or something related to their life. Leno gives them exposure to millions of people. Whether they were on last night, tonight or tomorrow night it doesn't make any difference. The topics they're talking about are often timeless. They can be used in a one-, two-, or three-week time frame.

Local TV talk show guests talk about their products, businesses, or careers, and they don't pay a cent. These guests are all in the "feature news" category.

In your local suburban newspaper or any large metropolitan daily, you'll find feature stories about people and products — all free. All those guests on the Leno show, all that feature material in the newspaper, all those feature stories on radio — they all cost nothing (for them).

Before we go any further, let's redefine the word "product." A "product" is whatever you're promoting — a person, a bar of soap, or a service. They're all products because the promotional techniques are all the same. Your business is a product.

Every national magazine has feature stories about products, but how do these products get that kind of exposure? Why does a TV show like Leno's "The Tonight Show" have a certain person as a guest?

Because some PR person sold them to the media. A PR person is no more than a salesman who sells his clients and products to the media by finding something unique about them and bringing them to the media's attention.

A good salesman finds out what the prospective buyer needs. When you go into a Chevrolet dealer to buy a new automobile, a good salesman doesn't say, "Let me show you this Monte Carlo, sir." He asks, "Can I help you?" because he first wants to determine your needs. Then he knows the "hook" or angle to use. If you need an economy car, he'll show you a Chevette instead of a Monte Carlo.

Find the Unique Hook

The same is true when a PR man “sells” a client to the media. He tries to find the unique “hook.” He’s no more than a salesman. He’s meeting the needs of the media.

All media need to keep their audience. If they lose their audience, they lose sponsors; and if they lose sponsors, they lose money — and just like you, they’re not in business to lose money.

The editorial staffs of news programs and newspapers may not consider advertising important, but management does. It can’t exist without the revenue. The stations and newspapers with the highest ratings and largest audience earn the most revenue. Consequently, they try to entertain their audience. They’re always looking for a story that has a unique angle to help them fill their needs.

The successful PR person never forgets this. He sells a story to an editor by thinking about the editor’s audience and the kind of story that audience would like to see or read. The editor’s audience is your market.

Every product has some unique feature that can be sold to the media. It only takes a little time and thought. Anyone can hire a professional PR person, if he has the money. But you also can be your own PR representative, doing the selling yourself and approaching the media with various angles and hooks about your product.

Some people consider the news release a waste of time, something that will be thrown away as soon as it’s received. And it’s true — many of them are. But I’m going to show you how to use the news release effectively to get maximum results.

Anyone can write a good news release. Once you give the facts, you’ve written a news release.

The Nine Points of a Good News Release

1. Double space.
2. No typos.
3. Use a professional printer.

4. Use plain, black type and white paper.
5. Use a dateline.
6. Include a source — your name and phone number.
7. Use your letterhead.
8. Put the most important information at the top.
9. Give just the facts — who, what, when, and where.

If you have ever sent out news releases that were unused, you may have violated one of those rules.

And here is an example of the worst violation of all — and the one most often made:

Don't Waste the Valuable Time of the Media With Unimportant Trivia

The vast majority of news releases wind up in the wastebasket. Usually it's because the release deals with information that's only important to you. Witness the sad case of Dr. Newbie:

Like most professionals, Dr. Newbie sent out only three press releases during his entire career: "Dr. Newbie is opening his practice at..."; "Dr. Newbie is moving to new, expanded offices at..." and "After a 45-year career, Dr. Newbie announces his retirement..." Yet Dr. Newbie never actually saw his name in print, and concluded that publicity is a waste of time.

Dr. Newbie's mistake was that his announcements were important to no one so much as... you guessed it. Dr. Newbie. They're not news — unless his practice was located Tinytown, USA.

Dr. Newbie probably had lots of interesting, valuable points in his career that readers would have loved to hear about. But he was unable or unwilling to look at it from the media's, and ultimately, the audience's viewpoint. If you insist on doing the same, don't waste your time — or that of the media.

How to Generate Real News

I'd *love* to have free press coverage whenever I schedule a seminar. Who wouldn't? But my decision to do another seminar really isn't newsworthy. However, a press release about how my \$5,000 an hour consultant fees compare with national averages might be. I can then include information later in the story about my upcoming event, which would give the "local spin" that an editor might need.

Is finding research on national averages difficult, time consuming or costly? Not necessarily, especially in view of the accessibility of the Internet. (If you can't do it yourself, there are plenty of researchers to do it for you — and some are very reasonable.)

Quality Over Quantity

Once you've written the successful, perfect release that draws media attention and gets you printed, it's tempting to use that same formula and format over and over again with all your media contacts. Don't.

Try to look at each release with new eyes, tailoring your publicity to the special circumstances of each potential media lead. In some cases, you may not send a release at all. With well-established contacts you most likely would phone, or possibly write a personal letter.

Publicity is just like marketing in that it must be targeted. While it takes more time to custom-tailor your releases, I would vote for quality rather than blanketing the media at large with less pertinent quantity.

Know Where To Put What

Let's say your company introduces a new or remodeled product. Put the price in the last paragraph. If the release is being sent to trade journals, include your discount structure, advertising allowances, displays, etc.

There are many other types of news releases:

1. An executive-appointment release, announcing the appointment of someone to a new position.

2. A community-involvement release. If your company sponsors some event or service, or receives or gives an award, submit a news release to the community section of the newspaper.
3. Industry forecast. You can release an industry survey. Talk to some suppliers and customers and project where your industry and your company are going in the next six months. Become a spokesperson for the industry.
4. The topical news release, relating to a trend or trends. The media is particularly interested in certain trends — energy, inflation, and consumerism. Your products, no matter what they are, will tie into at least two of those.

One example of how a company exploited the consumerism trend is the International Entrepreneurs Association (IEA), which specialized in reporting on new and unique businesses. (Now it has more than 227,000 subscribers and is called *Entrepreneur Magazine*.) But originally it had about 72,000 members who paid dues of about \$55 per year.

One of the things IEA published was monthly information on business opportunity fraud. Each month, it sent its members fraud reports and told them to beware of particular types of fraud. In late 1978, IEA put together a booklet called “Business Opportunity Frauds.” It was 47 pages long, and contained 15 of the most common business opportunity frauds perpetuated on the public.

What was this booklet, really? It was a new product. How did IEA market it? First they asked themselves the same question you should ask yourself: “Where’s my market?” They sell business information to business professionals, so they reached those people through the business pages of every major newspaper in the U.S.

They started with a new product news release, and sent it to the business editors of every major newspaper in the U.S. At the bottom of the release was the price — it was free! Consumers only had to send 50 cents for postage and handling to receive a copy of the booklet. They sent the news release to the editors, but not a copy of the booklet. (You don’t have to send samples with new product news releases.)

At the upper right-hand corner of the release was the contact source, so any editor or consumer who actually wanted a copy could call for one. After IEA sent the releases, they

received a number of phone calls from editors asking for copies, so they sent them out, and waited.

In eight weeks, IEA received 55,000 requests for the booklet — \$27,500 worth of business. The 50 cents per booklet barely covered the printing and postage, but they didn't plan to make money on that.

IEA also used a clipping service, which clipped all the news items pitching the booklet. In that eight weeks, they received approximately \$150,000 in publicity. Even more important were those 55,000 booklet requests. They generated 55,000 names of potential customers for their other services. Anyone who sent for that booklet was interested in small business, and was a potential customer of IEA.

Where else could you get 55,000 leads for your business for about \$50? That's what it cost IEA to conduct that program — \$50 to print and mail that news release.

With a little thought, you can construct a new product news release just like IEA did.

Use the Consumerism Angle

Construction

All businesses relate to consumerism in some way. Consider, for example, the construction business. Anyone in the construction business has consumer problems.

Before issuing any news release, look at the market. A contractor's market might extend throughout an entire city. How can he use consumerism to aid his business?

He needs to analyze what bothers his customers most. If you were going to hire a contractor to remodel your house, what would be your biggest fears?

1. Shoddy workmanship;
2. The contractor's dishonesty; and
3. Whether or not the contract protects you as it should.

A contractor could help consumers and build his business by developing a brochure, “How to Avoid Being Ripped Off By Contractors,” or “The Do’s and Don’ts of Choosing Construction Contractors.” It doesn’t have to be a fancy, detailed booklet — it could be an 8-1/2 x 11 sheet of paper with a checklist of 15 or 20 ways consumers can avoid being ripped off.

In ten minutes, most contractors could write out thirty ways to avoid being ripped off and explain step-by-step how to get the best deal. This information could be printed at a local print shop, and a new product would be created. The next step would be to develop a new product news release for whichever medium reaches his market.

Contractors deal with an entire metropolitan area, so every newspaper — both major metropolitan dailies and local suburban newspapers — will reach this market, as will radio stations. You could send out a news release about this pamphlet to local papers, radio stations, and TV news directors — anyone interested in consumerism.

In the case of local newspapers, you would send it to the editor of the Home or Building sections, or to the city editor, who would funnel it to the correct section, possibly the Real Estate section.

In the news release, you would offer free copies of the booklet to anyone who writes in or stops by the office.

The news release will often be picked up by the editor because it relates to consumerism. If you give editors what they want by giving the market what *it* wants, they’ll give you the publicity and response that you want.

Some people will write or call in for the brochure simply because it’s free, but most who request brochures are thinking about remodeling. These are leads.

A program like this can go beyond the media. A contractor could call a local homeowner’s association and offer a presentation on how their members can save money. These associations are not interested in having a contractor come out and pitch his company.

But they are interested in having a contractor tell them the do’s and don’ts of picking contractors. He becomes a good guy. He won’t get all the business, but if any of those homeowners are thinking about remodeling, they’ll think about him, because he has been honest

enough to tell them about the construction business. After all, he is going to help them avoid expensive mistakes.

That's the only way to use "consumerism." You are all capable of doing similar things.

What are your customers afraid of? How can they be protected from financial traps? How can you help them? How about a Realtor, an auto repair specialist, an auto body worker, or secretarial service? What type of consumer brochure might they put together?

Think of ways to save energy and cut costs that relate to your business. News releases are a terrific way to publicize a product or business. The principles remain the same, regardless of the product or service.

Targeting News Releases

Where do you send a news release?

A Realtor opens a new office, or hires a new account executive. Those are two "new" news releases. Opening a new office is no more than a new product news release.

The first question the Realtor should ask is, "Where is my market?" A Realtor usually services an entire city. He needs to reach those who want to buy or rent homes within that city, so he should send that release to the editors of all the real estate sections of all local and suburban newspapers in the city.

Extend the concept a bit further. Suppose you sell records, and you sign a new artist who is releasing a new record.

First, ask the magic question, "Where's my market?" Send a news release to industry trade papers, such as *Billboard*, *Cash Box*, and *Record World*, which report the names of artists and the companies that have signed them.

In the music business, if you sign an artist, you send a news release to trade papers because program directors and station librarians — those people who select the records to be played — read the trades. They're part of your market. You must familiarize them with the name of your new artist.

How about the entertainment pages of daily newspapers nationwide? An artist simply signing with a label is not of great interest to the entertainment pages, unless the artist is well known, or has an unusual background, or has composed and recorded a different type of song. But because many record buyers read the entertainment pages, you're reaching your market.

Suppose you start a unique service to insurance companies, such as a secretarial service where all the secretaries have insurance backgrounds. When a company calls for part-time help, your people not only can do the work, but they also don't need specialized instructions before they start. They already know about insurance.

Where would you send a news release in this case?

First, to the insurance industry trade publications. Second, to the business pages of the local and metropolitan newspapers.

The answer is easy if you have a clearly defined product that goes to a certain section of a publication, but many people have products that don't quite fit in any one section, that are not as well defined as real estate, entertainment, or insurance.

Pick one section editor of the publication who you think would be most interested in your news item, and send him one copy. Then send a second copy to the city editor of that same publication. The city editor, if the release doesn't apply to his area, will forward it to the correct section.

News releases can be sent to every magazine, newspaper, and television stations that reach your market. The editor of one newspaper knows that the release you sent him has gone to his competitors as well. It doesn't matter. The only thing that counts is the correct hook or angle.

Zeroing In On A Target

How do you reach national magazines and trade papers?

Bacon's Publicity Checker is one of the finest resources to determine where to send your news releases because it lists all trade categories.

For example, if you wanted to find all the publications in the music field, under “Music,” *Bacon’s* lists the names and addresses of every trade publication that caters to the music field, along with the name of each editor. But don’t use the name of the editor listed, as editors change frequently. Call first, or just address your news release to “Editor.”

Bacon’s also lists the names and addresses of every major newspaper in the United States, the names and addresses of every major wire service and syndicated columnist, and the names and addresses of every major national magazine.

Bacon’s also has a code at the bottom of every listing that tells you what kinds of news releases each publication uses, so you never have to waste effort. If you have a new product news release for the insurance industry, look up “Insurance” and you’ll find about 25 different publications — and you’ll also find which ones use new product news releases.

If you have problems getting purchasing agents to look at your product, *Bacon’s* lists 37 publications under “Purchasing” that reach purchasing agents. Every one uses new product news releases. It’s a way to get your foot in the door. (*Bacon’s* is available at most local libraries.)

There are several other books that can help you zero in on your market. *Working Press of the Nation* breaks the media down into magazines, newspapers, syndicated columnists, TV, wire services, and the trade publications. It gives names and addresses of each publication, plus the names of the editors. (Again, don’t use the names of editors without checking. There is no guarantee that the names are current.)

Many companies like General Motors have put *Bacon’s* on computer. Whenever they have a product news release, they just punch a button, and out come the mailing labels for the release.

Start a file of media names and addresses, and update it frequently. It can do amazing things for your business.

The Case of the Ketchup King

Al Fluster was a 60-year-old retired postal worker who had an idea for a new product back in 1977. Al’s only problem was that he didn’t have enough money to manufacture it, nor did

he know how to market it. However, Al felt strongly that there was a market for his product, “The Catchall.”

The Catchall was designed for restaurants and housewives, but he needed a way to reach them. How could he tell them about the Catchall — and even more importantly, how could he determine if there was really a market for his product?

First he had a prototype made of the Catchall. Then he wrote a new product news release about it. He realized it was hard to visualize the product so he photographed it. The Catchall was a two- or three-inch high funnel that ran between two ketchup bottles so the remnant of an old bottle would drain into a new bottle.

Al put a human hand in his photograph so editors could get a better idea of how big the Catchall was. He then had both the news release and the photo professionally duplicated.

The next problem was how to reach his market — restaurants and housewives. He felt every restaurant would want his product because it answered two needs: 1) waitresses no longer had to shake the last drop of ketchup out of the bottle, and, 2) the restaurant no longer wasted any ketchup.

So, Al picked up a copy of *Bacon’s Publicity Checker*, looked under “Restaurants,” and found 60 different publications that went to restaurants and restaurant companies. He picked the largest, *National Restaurant News*, called them, and found that they didn’t have a new products editor, so he got the name of the editor who handled releases.

Al also found a number of women’s magazines listed under “Consumer Magazines.” The code in *Bacon’s* told him that several of them use new product news releases, so he called them and asked for the names of the new product editors.

He then sent his news releases and photos (packed with cardboard to protect the photos) to the 60 restaurant publications and 30 women’s publications, including *Nation’s Restaurant News*, *Good Housekeeping* and *Better Homes and Gardens*. To those three editors, he enclosed this note:

Dear Editor,

I thought your readers might be interest in the enclosed.

Sincerely,
Al Fluster

He waited a week, then called the editors. He introduced himself and asked if they had received the release and the photo of his Catchall. All three had. He asked if there were any questions. There were none, so he thanked them for their time and hung up.

What happened? A few weeks later, *Nation's Restaurant News* printed his news release, ran the photo, and included the price and where it could be obtained. Within two days, Al received calls from three of the largest restaurant companies in the United States.

One was "International Food Service," which owns restaurants throughout the country. They asked if Al could custom-design a Catchall for them, and put their name on it. He received enough orders from "International Food Service" alone to set up his business.

Better Homes and Gardens and *Good Housekeeping* also printed his news release and photo, resulting in thousands of orders.

Al became one of the most successful manufacturers in the country, making a variety of plastic products for the restaurant industry, and his entire business was launched through a news release that was written and handled professionally. His cost was \$150. For \$150, Al Fluster got into the manufacturing business.

If you are in the manufacturing business, you know how competitive it is. Could you get into it for \$150? Al Fluster did, and his company grosses nearly \$1 million a year.

If you don't ask for publicity, you don't get it.

How to get PR that is useful:

- Start by thinking about your audience.
- View PR from the media's point of view.
- Develop close relationships with journalists.

- Try and be an expert to the media's audience.
- Use ads that look like articles. If you want to get on the fast track, write an advertisement that looks like an article. It will look like editorial copy, but you have total control of the content. Many publications put the words "Paid Advertisement" at the top, but these seem to have no effect on response.
- Tap into local pride, local public and community events. Tie in by supporting them and helping celebrate and tell the story.

That last point is a good one. Consider the following success story:

Shoe Store

One shoe store designed a creative promotion based on their community's treasured but dilapidated statue of Vulcan, God of the Forge. To promote their store, they started a "Vulcan Restoration Fund." They made a replica of the statue's foot, and advertised that for every pair of shoes purchased on a certain date, \$1 would be donated to the fund. And — you guessed it — the media noticed. They covered the event, and everyone — the community, the media, and the shoe store — came out ahead.

You have to make it easy for the reporters and editors from the standpoint of their wants and needs. Newspaper and magazine editors are always looking for "audience payoff." Their point of view is "What's going to enrich, fascinate, entertain, stimulate or improve the lives of my listeners, viewer or readers?" Tell tips to their readers — and make sure you get credit.

The Three Agendas of Public Relations:

1. The writer has to have something exciting for the editor.
2. The editor has to publish stories that are valuable, interesting, fascinating, provocative, audacious, stimulating or reflective for his readers.
3. The reader must be interested enough to keep reading the publication.

If you help the press, they will help you. (Remember, one of the best sources of competitive information is reporters. They know everyone in the trade.) Be creative — send a free sample to the media. Their job is to get “stuff” in front of the public. Help them do their job.

There are people in your industry who are seeking information that is not “self-serving” for their audience. They don’t care about your 475th transaction or your 750th anniversary. Instead, what advantage can you give to their audience?

What information can you give them that will make their audience...

1. Fascinated
2. Appreciated
3. Educated
4. Interested or enthralled
5. Entertained
6. Gain a unique perspective
7. Stimulated and thought-provoked
8. Polarized
9. Titillated
10. Or a combination of the above.

If you can encompass any or all of the above, then your piece will probably get published. Marketing is 20% education and 80% distribution of that education. And your marketing should consist of PR, Direct Marketing, Advertising... and more PR.

People who read your stories want to know the human side of the story. Try to join forces with a charity or some other creative outlet. The media are human too, just like you.

Focusing your PR efforts is exactly the same as targeting your own list — know who you're going after, and where they are. Do you want TV, radio, newspapers, or a hometown magazine?

For \$495, you can use Business Wire or PR Newswire and distribute your press release to over 3600 media sources, including newspapers, magazines, TV, and radio. If it has a large audience payoff, is interesting, educational, and informative, you can get as much as 80% coverage in those publications. (But don't break the cardinal rule: if it's all about you, it isn't important. If it's all about your reader, it will be.)

I once paid a big PR firm \$25,000 to get myself published. I got in *USA Today*, *The LA Times Syndicate*, *The Washington Post* and other publications.

The *LA Times Syndicate* article featured me and another consultant from Michigan and offered a free booklet, "Lead Generation Magnet." My staff called his office to see what he was doing. The consultant said he learned everything about PR from my work, *Your Marketing Genius At Work*. He said, "There was a section on PR. I just followed it. Not only did I get published in 20 other publications, it generated \$45,000 in revenue."

That consultant got more PR and profit from using my advice than I did by using an outside professional PR firm!

Most People Mismanage PR in a Crisis

Air your dirty laundry immediately. Do the right thing immediately. It's a great opportunity to endear yourself to your clients. If you act immediately to compensate and make amends with your clients, it's a good chance to bond yourself even more closely to them.

Four Quick Ways to Get Print PR

1. Write a valuable article.
2. Write an opposing editorial (Op Ed).
3. Take a news story and put a fresh twist on it.

4. Get a listing in the *Yearbook of Experts, Authorities & Spokespersons*. This costs only \$600 to \$800.

Richard Spring, an associate of mine, has worked in PR for many years. He offers this advice about (and is an enormous advocate of) radio as a publicity vehicle. Maybe you should be, too.

The Benefits of Using Radio for Publicity

The least respected publicity tool is probably radio. Don't write it off — you should use it to your advantage. Most of my clients have gotten their first big break with it.

First, let me sell you on radio's many advantages and distinct benefits, all of which will help you get sales.

Radio publicity, on many radio stations, can be done without any travel at all. When you realize that there are over 10,000 radio stations in the world, and that some will give you the opportunity to appear on their station without any travel at all, you will understand the clout I am talking about.

You can simply pick up the telephone and be interviewed from hundreds or thousands of miles away. Nearly all publishing companies use this and run their authors through "the publicity circuit" — drastically increasing their audience reach and dramatically decreasing their costs.

If done properly, you can promote your product or service even in a non-advertorial setting. My company has piloted (rather successfully) the use of publicity in much the same way as direct mail.

When you appear on the show as a guest, make sure you get a toll-free number mentioned, or a P.O. Box, or something where the audience can reach you and buy from you. As you're getting your message across, you're getting sales. (This is much harder to do on television or in newspapers unless you advertise.)

You can target your audience. Radio offers many slotted shows, each with its own following, every day or week. For instance, you might get on a hard-news show in the morning. If you're promoting a cookbook, you could appear on a food-related show on Saturday. If you have

a financial product or service, you might get onto a financial talk show. And with a sports-related product, you might get on during the weekend or at night.

Radio is not as appropriate for business to business, or for certain categories of products. (If you're selling pornography or firearms, this may not be the medium for you!)

You'll get a lot more time on radio, as compared to television or print. True, there might be appearances where you'll get a mere five minutes or less, but there are shows where you can also appear for one hour or longer. Average segments on radio tend to run about twenty minutes (including time for commercials) while segments on television will only last about five to eight minutes.

You'll get a true opportunity to tell your story. With most print articles there are far too many misquotes, words or phrases taken out of context, and so forth for most of them to do you any good or get your point across. And if that doesn't ruin it for you, the editor will — he's got his point of view, and yours is probably different.

Similarly, television is so quick and the talk show host's personality so strong (and sometimes insecure) that you may never get your point across. You may get asked questions you can't stand, or questions that won't help you, or you yourself may just be getting it together when your segment is over.

With radio, you'll often get your side of the story on the air. The extra time really does help. Almost never will you be challenged without some chance to fully rebut your story.

Radio offers audience participation. Most radio stations have call-ins. Television rarely does this, and even more to the point, rarely does it well. That radio caller can actually help sell your product, asking the right question to get you going. With a live audience, you get listeners who are able to and do participate. People who are participating in something are more likely to buy.

Radio repeats shows. If you do well on a show, the host or producer will want you back. It might be three to six months before you can get back on that show, but you have a good chance if you perform well the first time.

One broker client of mine has been asked by several major shows to come back on a regular basis. Just think... he's on every two months — at the station's request! Consider the possibility of doing a talk show every three months for five to ten years. Consider having a dozen or more shows like that. There aren't many newspapers or magazines that give you that opportunity, and even fewer television shows.

You have a better chance of getting on the program at all. I know too many aspiring television talk show guests. Few will ever get the chance to appear on a decent TV show in a large city, at a good hour. Fewer yet will ever be interviewed by a large circulation newspaper or magazine.

But with radio, there is an excellent opportunity for your views, product, book, or service. There are dozens of different "classes" of stations based on performance. There are thousands of radio shows — so many that the possibilities are incredible.

I know businessmen with hardly a following, even start-ups, who get on wonderful radio talk shows. I have seen self-published authors who didn't have a leg to stand on make a fortune using radio — several are my clients, and they're making money hand over fist.

You Must Tell the Right Story

Professional PR firms see a myriad of clients and potential clients, and of course, they can't represent them all. A PR executive I know tells me that each problem client that they declined to represent had this at its foundation: *Their story wasn't good enough!*

Everyone wants to tell their story. And while it might be great at a cocktail party or to impress a business associate, to romance a radio producer and get on the air quickly, frequently, and on the very best shows — you must have the right story.

A business-to-business story will rarely work. That's not what radio is for. Radio is for the consumer. Radio reaches consumers at home, or at work, or while driving around. Your story must reach them. It must provide timely information. Generally, that timely information must better that consumer's life. If you can do that, you'll get on the show — and you'll get sales.

Your story must fit the definition of what radio is all about: Timely information for the consumer.

Your Story Is Not An Expanded Advertising Message

Unless you're a nonfiction author, you're going to have to study this section carefully. There's an easy way to assemble your story... and a painful way.

The painful way is to summarize or expand your advertising message and use that. Most producers will recommend you then contact their sales department to buy airtime. That's an insult, and I hope that never happens to you. Yet far too many presentations to the media are like that. That's why so many stories are simply thrown away.

The producer is either your friend or foe. He or she decides if your story is worth telling. And unless he or she is an in-law, the deciding factor is your story.

At smaller stations or shows, the producer may sometimes be the talk show host himself. In any event, *don't antagonize the producer*. He or she may just be an assistant to the host, chief coffee maker, summer intern, or whatever — but that person decides if you will appear on that show or not. They are, therefore, your best friend.

Remember: The Press Does Not Owe You a Living!

Obvious? Of course! But in the effort to rise above the clamor of everyone else seeking publicity, it's easy to let an attitude of "I deserve to be covered" creep into your communications with the media. And that will hurt you.

The business of the media is to provide useful, pertinent news and information of value to its audience. There are literally hundreds of stories — from hopeful people just like you — competing for their attention. They can, and must, pick and choose what will be covered, and they have great latitude.

Publicity for you is elective. The attitude you convey in your communications can be the green flag — or the red — that determines your success.

The media is *not* an extension of your marketing department. It owes you nothing. If you have information of value that attracts their attention, your story may be chosen. Don't forget this!

Tie Your Story To Top National Stories vs. Top Local Stories

There are two types of top stories: Top national stories and top local stories. Top national stories have a large national impact. Top local stories have largely a local impact. A top story that you're interested in would be the kind that's going to be featured on the front page of the newspaper, and possibly the front page of the business section. If it's on page one, then your story will go further.

Your Story Should Piggyback Something Newsworthy

Piggybacking is when you hop onto something that's happening, or someone who's making news.

Celebrities always get attention. Often, you can use that to your advantage — and you don't have to pay them a cent. How many times have you seen magazines, newspapers, or other media carrying stories like: "The Ten Best-Dressed Women," "The Year's Sexiest Men"?

These celebrities may or may not be those things, but some media will cover you if you make up lists like that and include celebrities. And if you're a clothing retailer, or a dating service, you have a tie to your own business.

The cover of *Business Week* once stated the obvious — if you want to sell something, hire a sports figure. That's piggybacking. Try having a grand opening of a restaurant without one or more celebrities, even a local luminary. See how few media attend. Bring in a television star, the mayor, and so forth, and count on television crews and photographers. I've done both and I know the difference.

Your story doesn't have to be celebrity- or politically-related. The bigger the news, the greater the coverage. This is a guarantee.

For instance, if I were a commodities broker and I wanted some quick leads, I would call the big radio stations and say I wanted to comment on something really big in the news. I'd make it something that I heard on the morning's news, or last night's television news, or on the radio driving into work or in the morning newspaper. I would try to tie it into headline stories in the major papers, preferably on the front page, and always very recently. (Don't use stale news.) This is piggybacking at its finest.

If you're shooting for the largest shows in the largest markets, you cannot succeed without this method... unless you have a book on the best-seller list, just starred in a popular movie, or are running for a major political office.

If I were a novelist, I would find something in my book that relates to what's going on today or has been in the recent headlines. That will open doors to many, many talk shows. Or if I were a travel agent, I would look through the newspapers, the weekly news magazines, watch a few news programs on television, and then devise my story.

A few years ago, many travel agents piggybacked on the European terrorist attacks for their publicity, and included areas where they felt it was safe to travel. It was certainly an outstanding use of this method for getting in front of the public's eye.

Financial businesses have piggybacked onto the Persian Gulf Crisis, the widening trade deficit, and the Japanese economy to get on the most popular shows. Almost any news coming out of Washington, D.C. can be used in some way to further your cause. Political headlines can finally be put to good use.

Even a cookbook can be piggybacked. Take, for instance, the trend that people are spending less time in the kitchen. One cookbook author used this news to appear on shows discussing "rush hour" recipes — or foods that can be prepared and eaten quickly. I doubt that there is a business that can't take advantage of a headline story to get publicity.

Add Your Story as a “Spin” on the Trend

I mentioned the word "trend" in the above paragraph. In the event of a missing hard-news item, look for a trend.

In the 1950s, the hula-hoop made a big splash. In the 1960s, we had love-ins, long hair, and drugs. In the 1980s we had AIDS, natural foods, and the stock market. Trends can be cataclysmic or a quick fad. And they can be spotted if you look carefully. If you see the fad more than twice, it could be a quick trend to piggyback upon.

You might not always get a headline news item to play upon. So, you'll have to settle for a trend. They're not so bad. They're easier to manipulate to your advantage, you have less

competition from others trying to capitalize on them, and you can probably use them for longer than they exist for themselves.

As I mentioned before, your story should start out with a hard-news item or a trend as a headline.

The places to look for such hard news items would be in the pages of weekly magazines such as *Time*, *Newsweek*, or *US News & World Report*. I would also search through recent pages of *Today* and *The Wall Street Journal*.

The national pages of your local paper may not necessarily suffice. Larger circulation is a must here. The larger circulation papers are the ones in the major metropolitan areas nearest you. Examples might include: *The New York Times*, *The Los Angeles Times*, *The Chicago Tribune*, *The Boston Globe*, *The San Francisco Chronicle*, and similar ones.

Because these have a national following, more attention will be paid to stories out of their metropolitan area than, say, a paper like *The Oil City Derrick* which will feature local Board of Education fights in the first few pages. If you want national news — news with story slants or angles that will be effective in Denver, Cincinnati, Detroit, and yes, Oil City — you'll want to get those top stories.

Here's what most radio talk show producers are interested in as story grist for their mill: The economy and personal finances, health, politics, big names, or controversial stories. Most newspaper editors, similarly, will give page-one category to stories that concentrate on big names, big money, violence, sex, and controversy. The more elements of the above you have in your story, the longer it plays.

For instance, a local story that made national headlines (and still makes a good story for some perverted reporter): Son of Sam. Here was violence and sex. If he was a millionaire murderer, that would work even better.

And someone like Marilyn Monroe who died from a drug overdose, supposedly slept with a very rich President (who was assassinated) and died controversially, will be paid massive tribute. And Elvis — who was a sex symbol, very rich, a big name, and died from something controversial (drugs?), always gets headlines, even years later.

I've worked with nearly every aspect of the media industry. Let me give you a few stories about publicity successes.

Author

Many of us are already familiar with economic doomsayers. Some of us have probably read their books, subscribed to their newsletters, and so forth. One such book spent nearly a year on *The New York Times'* Best-Seller list. It's called *The Great Depression of 1990*, by Dr. Ravi Batra (Simon & Schuster, 1987). I've never seen such a success occur so quickly.

Here's an economics professor from Southern Methodist University in Dallas who's going to weather any upcoming depression nicely from his book royalties. He initially was self-published, unable to get a major chain to carry his book.

After three months of radio publicity he sold his hardcover rights to Simon & Schuster for \$125,000 as an advance against royalties. In July 1987, he sold his paperback rights to Dell for \$300,000.

Why was his book such an instant success? Depression means big money (big money lost, but big money nevertheless). Depression means violence; the thought of a depression is certainly controversial. His second book, by the way, shot to the top of *The New York Times'* Best-Seller List on his name alone.

Nutritional Products

An entirely different story is Dale Alexander. Dale is probably the biggest publicity hound in history. He has appeared on nearly 10,000 talk shows, including every major show you can name, and got launched onto the best-seller list in 1957. He is a crusader who advocates the use of cod liver oil as a cure for nearly everything, including arthritis.

Arthritis is big business to big medicine. Here you have money and names rolled into one. Arthritis is also a painful problem for the afflicted. Cod liver oil tastes awful (another view of violence). The entire concept is controversy. Dale also solved the sex problem by stating unequivocally that cod liver oil, taken over six months, will solve any sex problem you have, improving your sex life. He's covered all the bases!

To Make Your Story Relevant Add A “Twist” Or “Hook”

Now, whether you have a hard-news story or trend upon which to piggyback, you need that extra touch to separate you from the rest of the pack. For instance, say you chose the Persian Gulf story. How do you fit in? More importantly, how does it affect the consumer?

One commodities firm used: “Gasoline Lines Longer in the 1990s?” as their twist. They tied into the OPEC oil conference, a story which read that gas prices would go higher and that oil production would be lowered to below current levels. There was enough play in that story proving that oil would go higher that the commodities firm extended the implications. They made a tremendous killing for their clients — the radio listeners.

Always include the consumer in your story. That is the basis of your story. Twist the hard news angle or trend to affect the consumer somehow. How can you help him? How can the news hurt him? Where will it hurt him? Just place yourself in your listeners’ shoes. Why should listeners want to listen to you? If you exclude the consumer from your story it won’t work — and the radio producer won’t use it. Listeners are consumers, and listeners mean rating points.

Rating points are the yardstick as to how many people are listening to the show. If ratings are up, the percentage of listeners increased. If they’re down, a percentage dropped — meaning fewer listeners.

The producer is entrusting you to make the ratings go up. If you talk about something in the news — something listeners easily understand and can relate to immediately — then listenership will not drop off. It may even increase.

The producer will be happy to have you back. And he must be sure this will occur before you are even scheduled. The producer must evaluate and determine whether you and your story will increase or decrease his ratings.

Please learn this lesson well: Fit the consumer into your story. The broadcast media — radio and television — pride themselves in being public’s service media. Radio talk shows exist only to give listeners an in-depth look at the issues of the day. See how you fit in. Include those consumers through your story.

How to Fit the Consumer Into Your Story

To begin with, determine how you are helping the consumer. Are you increasing his wealth, improving his health, or attacking his enemies? Your challenge is to isolate how you're helping him and match that with something in the headline news or feature trends.

For instance, Dale Alexander had been promoting his cod liver oil for over thirty years, first in his books and then with his product as well. There wasn't any real news there. But luck was on his side. Medical researchers broke the news in mid-1986 that what he'd been saying all along was true.

There was a correlation between fish oil intake and reduced arthritic swelling. It was hard news! He piggybacked it backwards, so to speak, and he got hundreds of shows — and quickly.

Doomsayer Dr. Batra's *The Great Depression of 1990* fit well with the times. The Dow Jones averages at that time were making incredible highs. But his piggyback was someone else's piggyback as well. Robert Prechter, an Elliot Wave theorist, predicted the market would climb much higher and crash in mid-1989, coincidental with Dr. Batra's prediction. Dr. Batra tied himself into Prechter, who was hard news at the time. Subsequently, Dr. Batra himself became hard news!

Another example is a book about tracking wild animals in the wilderness. There apparently has been a trend that yuppies appreciate the outdoors. The wilderness book, of course, jumped on the yuppie bandwagon (as so many have!).

Water Purification

Yet another example is a water purification product wishing to get publicity and support. Sounds pretty dull, right? Well, bone up on how bad water is in this country — it's toxic. The project's coordinators brought this to the producer and got plenty of talk shows.

Toxic wastes are a hard-news trend. Any time the story comes up, it's news. Just say something like, "Your water may have some extra molecules that would kill rats," and believe me, you'll get attention. How's that for consumer-oriented, violence, controversy, and big money? (Where did the toxins come from? Big companies.)

Spotting trends really just means reading the papers and thinking. Virtually any story you have will match up in some way with some hard news item or a trend that affects the consumer.

Remember the consumer and you get on the show. Forget the consumer and forget about appearing on radio or television.

Get Your Story Taken Seriously, Not Just Half-Read and Thrown in the Trash

Now that you've gotten your story together and can make it help the consumer, your task is to interest a few people into using it. The more, the better. Over the years, press agents and public relations firms relied on something called a "press release."

A press release is something that releases hard news, financial institution information (such as dividend information for a company listed on the New York Stock Exchange), candidacy for presidency, or signing a major movie star to an upcoming movie.

Announcing the opening of yet another chiropractic clinic isn't going to get taken seriously — unless you are also buying space in one of those low circulation weekly papers that will take any article if you buy an ad. Yet that's what most people do.

Busy journalists, reporters, television assignment editors, and radio producers have better things to do than read your press releases. You're not even going to get a sneer from these guys. Most are just thrown out after a quick glance.

They're mostly silly, archaic tools that got overused, then abused, and now they're impractical. Most editors will get the news they want to cover from the Associated Press or United Press International Daybook Wire. Unless you use a truly distinctive release (as I showed you before) your press release is just clutter.

Producers generally schedule guests for talk shows. They probably also make coffee, pick up the host's dry cleaning, and open mail. In some cases, the producer and the host are the same person. But they are also real people. And real people will listen if you talk their language.

Here is their language, in a nutshell:

“Tell it to me quick!”

I’m going to make this really simple for you. Please don’t improvise, because that’s why getting to producers is often so confusing.

Step-By-Step Procedure

Summarize your entire story or “pitch” into one sentence. Don’t get fancy. Example: “I’ve got something on the Persian Gulf and it could mean longer gasoline lines in the next few years.” No more. That’s all for now.

- Call the producer. Tell him or her just that and no more.
- Explain your story in another few sentences, but only when he or she has asked for more information. This is how they sort the loonies from the guests. Don’t get fancy here, either.
- Send more information — again, only when the producer asks for it. This will be covered in the next few pages. *Don’t* try to sell him or her at this point.
- Send it.
- Re-contact the producer in about seven to ten days.
- Re-contact the producer as necessary.

What You Will Send

The producer, in asking for more information, wants you to send him what’s called a “pitch letter.” This is your presentation. Don’t send your picture or press release. Just send the pitch letter.

The pitch letter is not a real letter. It’s another quick decision-maker for the producer. In about five to ten seconds, during which time the producer will have scanned over the first paragraph, he will decide either yea or nay. So what kind of letter is *that*? And how would you write it?

Take the entire one-sentence summary of your story — the one you gave him on the phone — and repeat that in writing at the beginning of your letter. This is your opening. You then follow with the rest of your story, chopping out any unnecessary verbiage and sticking as closely as you can to your story.

Omit any solicitous or gratuitous greetings. Omit *all* greetings. “Dear Ms. Jones: Longer gasoline lines are forecast in the 1990s. The Persian Gulf crisis only means bad news.” And so on. Forget about, “I’m really happy to have spoken to you the other day. I hope the weather is great in Milwaukee.” Blah, blah, blah. His or her job is not to be flattered or admired. It’s to get the ratings even higher. Period.

The rest of your letter should be short and simple. Don’t get complex. Just state what you’re going to talk about. Don’t use complicated technical terms. You will not impress him with your erudite vocabulary.

You will only be telling the producer what kind of an awful guest you’re going to be. He wants you to speak to real people, in their cars, in their homes — not to a board of scientists. The whole letter should be under 150 words, and certainly no longer than one page.

What Else You Should Send

Along with your pitch letter, you’re going to have to send two other items: Recent press clippings about your company, product, book or service, and your biography. Let me start with press clippings.

Unless you are very fortunate, *you* won’t have press clippings. But your hard news story or trend will. Using newspaper or magazine clippings that relate to your story will get you the better shows, more shows, and longer shows (for instance, a 15-minute scheduled interview would become a 40-minute interview). This also may get you a repeat appearance at some later date.

To obtain these clippings, just clip while you’re researching your hard news angle or trend. Use *The Wall Street Journal*, *USA Today* or *The New York Times* for best results. *The Los Angeles Times* and *The Chicago Tribune* are also very good. (*The Oil City Derrick* may not be so impressive.)

If you need to do in-depth research, go to a library and ask for *The Reader's Guide To Periodical Literature*. Most magazine editors live and die with this reference guide. Ask your librarian how to use it. It will give you many (if not all) major topics in past magazine issues and in which issue they are located. It's great for getting clippings from the past few months or years that support your current topic. You'll probably notice that news, like history, is circular and tends to repeat itself.

You'll also need a biography. This is not a resume, but close enough to resemble one. This sheet supports why you're the expert, where you studied to become an expert, what positions you have held and hold now, and honors or achievements you've earned.

Also include your own published books or articles, if you have any. (Don't include that you are a bowling champion, speak French, etc.) If you've written it like a personal advertisement, start over again. Your objective here is to show the credentials you have that will convince the producer that you, not your competitors, should be on the air.

Calling the Producer

You've previously contacted the producer. You've sent the required information. You have *not* jumped the gun and called four times before he or she should have received the information. You have waited discreetly for the information to arrive and for it to be read (amidst hundreds of other submissions), and for that decision to have been made. Don't contact the producer until you are certain the above has really occurred.

Now what? Well, a decision has probably been made. The producer may have already contacted you, but chances are he or she hasn't. So, pick up the phone and call.

In this phone call, gently remind the producer who you are. Say something like: "Hi! I'm the one who's predicting long gasoline lines in the 1990s." Throw the hook out again. Get it out fast.

Don't dawdle, because you're wasting the producer's time. Your job is to get your point across for a third time, quickly. It's not an easy task, and if you mess up, they'll dump you. So, be quick about it. Be friendly, but not overly so. If the producer is friendly, that's great. You're probably going to be a guest.

Now, here's the test. The producer will be searching you out to see how you sound. Do you have an accent? Do you answer in yes-or-no answers? Do you hesitate ten or more seconds before answering? These are killers.

Sometimes it's just too hard to get on a particular show. Or, the show is just flooded with great guests. If all else fails, simply say, "Please do keep my material on file. I'm always available. If you need me as a guest, I'll be there for you. Just call me, even if it's at the last moment."

Will such a wimpy line work? Well, one hopeful tried this with "The Larry King Show" (one of the largest shows in the country and certainly the largest radio show in the country). It worked. He was called on the evening of an upcoming religious holiday. He appeared and got thousands of calls.

Make sure the producer knows you're available, just in case. And mean it. Once you promise, you can't let that producer down... ever!

Contact Them Again and Again

With some media people you might have to keep calling back. Many are juggling several guests and dealing with a crazy host. Don't get pushy! Be polite. Promise to call back at a certain time.

Sometimes your material doesn't get read. Let it go. Be polite and offer to call in a week or so. Don't come across as desperate or tough. Don't keep the producer on the phone. Be friendly. Have good manners. Keep calling. Resend your kit as necessary, if there is genuine interest.

Your Appearance

Occasionally, I see a few guests go out of their way to ruin their appearance. You really have to work at it to mess it up. Here are a few cautions.

Avoid Making Your Appearance a Commercial

You are not there, in the talk show host's eyes, to sell your product, book or service. Rather, you are there to provide an excellent, informative show. (Remember, timely information

for the consumer.) If you treat the show as an advertisement or commercial, you'll get dumped. Fast. That scheduled 15-minute interview suddenly ends at two minutes, and you'll never, ever appear on that show again.

You are there to discuss your specialty. You have been elected because you are an expert. You have something to say. For one reason or another, the producer felt you would help the show keep its audience. Treat it as a commercial and you'll get thrown off — or worse, insulted live, on the air.

Avoid Yes/No Responses

The next worst thing to treating the show as a personal commercial is the aggravation of the monosyllabic interview. Responding by saying “yes” or “no” to a host’s questions will not get your product, book or service sold. It will drastically reduce your appearance on that show. You’ll get cut off in a few minutes or so. You’ll never appear again. You’ll be made fun of before getting cut off, and again after you leave the studio.

Avoid Beating a Dead Horse

Some guests will answer the questions with variations of the same answer.

Let's say you actually do have a cure for bad health. The cure is “eat brown rice.” If you repeat the cure in practically every answer, you’re going to sound awfully dull, and probably very silly. Don’t alienate your host, your audience, and the producer by repeating the same answer to every question or even anywhere near that frequently. That’s just wasting everyone’s time.

How to Orchestrate a Perfect Appearance

Now that I told you what not to do, let me tell you what to do:

1. Thank the host for your appearance. This makes him look good and gets him on your side.
2. Answer the host’s questions completely, honestly and without hyperbole.
3. Mention your toll-free number at the end (or earlier if a listener or the host asks) and how you or your product can be reached or ordered.

4. Use every spare minute to focus on how your subject benefits the consumer.
5. Speak about what you know about, and don't speak about something you don't know.
6. If there are call-ins, answer questions fully using real-life examples.
7. Thank the host again for having you on his show. This often opens the door for another invitation.

The only thing I've left out is this: Be natural. That's simple. Just don't get phony. You'll find yourself magnified many times over when you're in the public eyes or ears. If you treat this lightly, think about how someone like Gary Hart must have felt when he was exposed. That's what happens when you're in the media.

How to Pitch Your Product Without Failing on your Face

You've been scheduled. You're on the show. Now, what about actually selling your wares? I know of three different methods for getting your book, product or service sold.

If your book, product or service is nationally distributed, merely mention the local outlet where consumers can purchase your product, service or book. Say something like, "Well, if you want your taxes prepared by us, just call your neighborhood H & R Block office. It's in the phone book." Or, "Those who want my elk-hunting video can call Videorama stores in Detroit. They're carrying them." That's all that method takes.

If your product or service or book is not nationally distributed, you'll have to sell it direct via toll-free numbers or post office boxes.

I prefer toll-free numbers. It's easier to dial a toll-free number and order something with your credit card than it is to write a check, address an envelope, put on postage, and mail a letter. Toll free numbers are fast. Many charge between \$1.50 and \$2.50 per order (and other costs which you don't find out about until later). If your book or product is \$4.95, use the post office box method. Toll-free numbers are most effective if you charge more than \$19.95 per order.

And even if your product is nationally distributed, it's wise to include the toll-free number. Some people may be elderly, handicapped or infirm, and can't get to their local outlet. Others are lazy and won't. You don't want to lose their sales.

When To Pitch Your Product

Leave it for the end. Those who are still interested in your product, book or service (or even you) will stick it out for the end. But remember, you're not going to sell everyone. I would not risk missing a reappearance on the show because I kept mentioning my phone number.

There are guests who, because they continually mentioned their toll-free numbers, will not repeat as guests on some shows. Don't be one of those. Hosts will attack you for abusing this privilege.

If you pull it off well, the host will repeat the number back to you, encourage his audience to call and order the product, and pat you on the back. Compare that to a stream of insults you might get if you continue repeating your number throughout the show. It's not worth it.

I do know of people who "forgot" to mention their toll-free number or post office box. Those people threw away hundreds of dollars of valuable airtime, their own time, whatever it cost to get on the show, and so on. By all means, write down your toll-free number and keep it in front of you while you're being interviewed for the first few times.

You must remember that your reason for doing the show is to sell your product, book or service. Of course, you're not going to be obvious about it while you're on the show. Your aim should be toward creating an entertaining and educational show so the consumer is on your side, the host is on your side, and the audience is fully prepared to order your product.

Be Prepared to Receive the Response

Please realize that when you appear on a talk show that you are reaching many thousands of people at one time. Many will respond to you and want to buy your product or service. I vigorously recommend that you review your personal (or company's) ability to serve all of the phone calls, letters, orders, sales leads, inquiries, or whatever you ask for on the air.

Some people have been so deluged with phone calls they've actually wasted their publicity efforts. One doctor appeared in a magazine and got his 800 number mentioned. He received over 8,000 responses. He had to throw over two-thirds of them away.

I don't issue this warning lightly: Beef up. If you do this right you'll get lot of phone calls.

How Publicity Can Feed a Starving Company

Since a new company can't usually afford a PR firm, entrepreneurs must learn how to handle the public relations task themselves.

Wood Burning Stoves

One small, struggling company that sold wood-burning stoves got lucky with PR. They couldn't afford to advertise, and their sales were petrified. The owner almost couldn't meet payroll, bills were stacked to the ceiling, and the landlord was ready to shut them down with an eviction notice.

A few weeks prior to their looming financial crisis, the owner had typed up a few paragraphs about their wood stove, enclosed a black and white picture and sent it to some local newspapers and magazines.

One day an editor called, saying he had started up a brand new magazine for small farmers and he wanted to do a story on the wood stove. He did the story and almost immediately the new magazine went to press. In a month they sold 25 for a \$5,000 gross profit, paid the bills, salaries, and the rent. It was enough to keep the company going until another part of the business sprang to life and got them around the corner.

Direct Contact Can Push Publicity

However, understand that magazines and newspapers get flooded with press releases. You may be lucky and have your press release published, but the odds are against it. You need to go beyond the simple exercise of mailing out a publicity release. One gentleman invented a new type of energy-conserving fireplace grate just as the energy crisis was in full blossom. He was flooded with inquiries. How did he do it? He played off the energy crisis story and called the

science editor of *Time* directly on the telephone. The timely subject and the direct call got him the story.

You should cultivate one or two editors directly by telephone. You need to establish relationships with them by calling, writing and calling. You will know on the first call if your cause is worth pursuing.

If so, build a rapport and consistently ply them with interesting data. Not only might they give you a moneymaking plug, but they may eventually see you as an expert and continuously look to you for information. In other words, try for a long-term relationship. And if you get one nice piece of publicity, don't drop them like a hot potato. Keep nurturing the relationship.

Be sure the publicity you get benefits you. Make certain it translates into orders. What good is a mention in the media without information on how to find you? One gold dealer always has his opinion quoted in *The Wall Street Journal*.

So what? They never mention his company, his phone number or what exactly it is that he sells. A lot of press releases only glorify someone's ego. It's not worth the time or money unless it translates into sales.

Don't hesitate to call a feature writer at your local newspaper and set up an appointment to sell them on a story about your business. You must have an interesting angle or be tied in with a hot national or local story. If you can get it, the personal visit accomplishes far more than a telephone call or a press release in the mail. Whatever you try to accomplish, you must extend yourself beyond what others do in business. Like anything else, the best PR results come from going the extra mile.

PR Ideas

Other PR ideas you could use include:

- Conduct seminars or teach courses.
- Join a Toastmaster, or Rotary, or other service club.
- Sponsor special events.

- Host your own radio show. Stations like KIEV or KFOX in LA cost only \$200.
- Library/coffee shop/bookstore rooms. They are cheap or free.
- Conduct a cable access show. Again, FREE.
- Write a book, white papers, or special reports.
- Create a video or audio message to promote or sell.
- Use a telephone hotline service that is free and valuable. Use it to gather names.
- Publish a newsletter.
- Create your own infomercial.
- Create strategic alliances.
- Establish yourself as an expert.

Even More PR Ideas:

- If something bad happens to your company, tell everyone immediately (past, present, and future customers). The longer you wait, the worst things will become, and at that point, no one will believe your side of the story (even if it's true).
- Public Relations is more than publicity. Many equate PR with just working with the news media to get publicity. But it's really about creating public relationships with your audience. If you do a good job communicating with the various audiences that need to know who you are and what you're all about, you'll stand a better chance of getting publicity and you'll avoid communication problems.
- Target your press releases. Where do you want it to go? TV, radio, newspapers, local magazine, newsletter, etc.

- People who read your piece want to know the “human side” of the story. The “human story” will always get more attention than a “product” story.
- Be creative. Joint venture with charities or organizations where you can benefit them or their members.
- Remember that people in the press are human. Send them free samples or free information, but do it creatively. Their job is to get stuff in front of the public. If it is interesting enough, they will run with it. They need your help just as much as you need them. Look to form partnerships with those in the press.
- Use statistics in your press releases to quantify the message. Big numbers (truthful ones, of course!) tend to get attention. Millions of dollars saved, thousands of trees saved, etc.
- To humanize press releases, use case studies or case histories of real people or company employees who have utilized or demonstrated the product or service.
- Your template for constructing a press release should be similar to the template for a direct mail letter, but targeted to the journalist whose attention you’re trying to grab.
- Do promotions with other companies and organizations, especially those that have public relations departments in place.
- Erect a sign in front your business for other community organizations to use for their announcements.
- Write one very good article about who you are and why people should know about you and your business. Then think who would want to read what you’ve written (worldwide!). Then call and/or write the Publications that serve those people, and ask them to publish your article (regardless of whether or not you’re paid for it!).
- Public Relations (hype) is a part of doing business. Good hype is the act of getting out there and doing it, being it, saying it, allowing it to happen. Public

Relations is just another step in your marketing plan. Everyone stresses advertising and sales, but never PR. Hype is marketing, promotion, and enthusiasm.

- Benefits of PR — making money, name recognition, credibility, generating interest, getting product/service known, educating, lead generation, building customer base, building customer loyalty, back-ending, networking, creative alliances, joint venturing.
- Before you do anything, you have to figure out where you want to go, what you want to do, and who you want to be.
- When advertising, your only target is the potential customer. When doing public relations, your primary target is the media; the secondary target is the potential customer.
- When marketing products, examine all possibilities for placement of your press release/story in the written media: arts and media, sports, health and fitness, business, children, weekend, recreation, etc. You can also highlight stories that are being run in which your product (or service) would fit into and then write your own story based loosely on what you have read.
- When marketing services, you take an overview of your business and determine what you can offer. What are the benefits? Then remove yourself from the picture, thereby becoming selfless. You want to become the person who you would want to use your service or product. The payoff should always be the audience, focusing on your USP. In PR, your USP is the “hook.”
- Look for “fits” with your product/service and the latest trends.
- Good press release stories are worth much more to you versus trying to buy the same amount of space for advertising.
- You can do two- or three-way strategic PR alliances.
- You can create your own trend, if appropriate for your product or service.

- Be prepared to deliver your products or services after you've launched your PR campaign. It's best to have your business systems in place prior to "beating your drums" with your USP and PR.
- The real purpose of PR is to bolster your credibility with your public. Always get others (media, industry experts, etc.) to say good things about you.

Examples of Story Angles for Media:

Headline: "Curling Up With A Good Book" with photo; one-half page in newspaper

Storyline: Hairdresser gives free perms to homeless man while reading a book.

Payoff: The same size space for an ad would have cost \$9,000 in *The Los Angeles Times*

Headline: "Reel People: Video Biographer Turns Joys, Sorrows of Life into a Visual Heirloom"

Storyline: Corporate manager, unhappy with career, starts new hobby. Starts carrying around a video camera and interviews people on the street on variety of topics.

Payoff: Coverage worth about \$9,000 in ad space (and he called the newspaper up himself).

Headline: "Tasters Give Veggie Burgers A Grilling"

Storyline: *Chicago Tribune* columnist does story about Veggie Burgers at the Hard Rock Cafe. The manager finds out that the columnist just did a price comparison against other menu items but didn't even taste one. Because "The Trib" is nationally syndicated, the story of the Chicago Hard Rock Cafe getting the columnist back to taste their Veggie Burger ran internationally.

Headline: "Sweet Smell of Success: Budding Company Sells Fresh Flowers in Vending Machines"

Storyline: The story originated in *The Santa Monica News*. Because of its uniqueness, the story was picked up by the wire services. CNN (who called up and interviewed the owner) ran the story internationally, on nightly news and one of the network morning shows. This exposure was accidental in that a freelance photographer took a picture of the vending machine.

Payoff: It led to millions of dollars in free exposure.

Storyline: The owner of a fresh fish company didn't like the idea of shoppers purchasing inferior product from grocery stores. So he started a "school" that teaches shoppers how to recognize good quality fish.

Payoff: Led to \$35,000 worth of space coverage in *The Los Angeles Times*.

More Ideas and Examples:

- A couple loved and sold crafts, but could not afford a storefront. They finally got tired of their kids and friends coming to their home handling and breaking the merchandise.

They got some of their fellow craft lovers together (all of them were working out of their homes) and rented out a space, sectioned it off, and called it an "Arts and Crafts Center." The audience "hook" revolves around "The American Dream" concept or "Where there is a will, there is a way."

- A used car dealer gave seminars on "How To Buy Cars."
- A photographer wrote a story on prominent citizens in the community who he has photographed. He also did strategic alliances with others in the "looking good" business (plastic surgeons, hairdressers, cosmeticians, tanning salons, etc.).
- A CPA did non-tax season stories on the importance of estate planning for single or divorced women over 35.
- A motorsport newsletter company did a story about sponsored classes on defensive driving or freeway awareness.

- A Realtor wrote a Q&A column in local print media.
- A business school set aside one day a week/month to give free continuing education classes on various business-related topics to help business owners.

Here are more success stories from some of my clients:

Marketing Consultant

David Young was able to get articles published weekly in a local newspaper for a client of his who is a real estate broker. Each time the article runs, it generates high quality leads of which approximately 35% have become purchasing homebuyers.

Radio Advertising

Jeffrey Hedquist designed an action plan for regular generation of press releases. He reviews his production calendar and accounts receivable list to jog his memory on what happened in the past month that might make news.

Then he uses a press release information form to organize the content of the press release, and a press release date-down form to track the progress of the release. He also turns these releases into fax and/or email releases to his customers.

Landscaping

Tony Bass sent out press releases to several newspapers and received front-page coverage in the Houston County section of the *Macon Telegraph* and also in the *Houston Home Journal*. As a direct result of this exposure, he got five projects totaling \$10,500.

Manufacturing Display Units

Serge Cote and John Mackay sent a press release to a newspaper and ended up getting front-page coverage in its Business Section. So far, two accounts worth over \$180,000 have been obtained as a direct result of this exposure.

Firearms Training

Dr. Ignatius Piazza received a lot of free PR from major newspapers and magazines, including *The Los Angeles Times*, *The New York Times*, and *The National Enquirer*.

Ink Manufacturing

Greg Stromberg reports that an article published in a magazine has improved business from the positive exposure his company received.

Retail

Mike Fry received an order for his promotional fortune cookies from Oprah Winfrey. He didn't charge her for the cookies, and Oprah was so impressed that she invited him to be a guest on her show. He received a ton of free PR from this.

Retail Ceiling Fans

Gil Schauer sold a ceiling fan to a television news reporter from Channel 7/ABC in Los Angeles. After some discussion, the station agreed to do a 2-1/2 minute "educational spot" on one of their regular segments called "7 On Your Side." The filming took place at Gil's store using Gil's employees as the experts. This brought in ten new sales and yielded \$5,000 in new business.

Seize the Opportunity to Create More and Better Media Coverage

Successful publicity seekers (and I use that term in the best sense) seem to have an instinct for opportunity. They constantly ask themselves, "Is there a news or publicity angle to what I'm doing?"

For example, when they read their own trade publications, or even the general media, they look for opportunities to get their opinions in print. How? They note remarks made by colleagues or competitors that they disagree with and air their views through articles, op eds, and the like. They know that the media loves controversy. And the more important the person they're refuting, the more controversial they appear to be, the more likely they'll get coverage.

It's good to be controversial. It's even better to have the market view you with mixed emotions. If half the audience thinks you're a raving maniac, but the other half — *the ones who are likely to buy from you* — think you walk on water, it may mean ultimate sales for you

Don't Forget to Say Thank You in a Meaningful Way

Most of those who are fortunate enough to get favorable media coverage forget the all-important last step — a simple "Thank you." It's more than a simple common courtesy. Remember, you're establishing relationships that sometimes may last you throughout your career.

Nothing elaborate — just a brief phone call or quick card is all it takes to keep yourself in mind of your media network.

Make Media Relations a Two-Way Street

Don't stop with the thank you, though. Touch base two or three times a year in a non-self serving manner. If you pick up industry information, hear things, etc. ask yourself, "Who among my media contacts would want to know this?" Then pass it along. You've worked hard for those contacts. Don't let them sour by making it a "Me, me, me" relationship.

But, take care that you never approach the legitimate press with an "exchange attitude." They in turn have worked hard for their editorial integrity. Respect it.

Am I Important Enough to Be Called By Name?

When you get your mail, you pay attention to letters addressed to you by name, spelled correctly, correct title, etc., don't you? So does the media. It's easier to fire off press releases to "Business Editor, Chicago Tribune," but it's the near equivalent of your getting something addressed to "Occupant."

"God is in the details," they say, and it's true. Take the time to find out who people are, and write to them by name. Any major library has media directories (we've already mentioned some) to get you started — but directories get out of date quickly. A quick call to the newspaper switchboard can confirm that Joe Jones is still the Financial Editor.

Should I Retain the Services of a Professional Publicist or Public Relations Firm?

Maybe. If your cause or project is unique and highly newsworthy, or you already have media contacts, or you're targeting specialized trade publications, or even the general media in smaller markets — you may do just as well yourself.

However, the more difficult your publicity objective is, and the bigger the media "fish" that you're pursuing, the more useful professionals can be. If you're going for major-market mass media or publicity in crowded, competitive niche markets, a professional could save you a lot of time and grief, with better results.

Professionals have contacts, and know how to find the ones they don't already have. They have influence. Most media members rely on professionals — the good ones — to bring them a steady flow of relevant information and news. That stack of unsolicited press releases on their desk is much uglier to face than a quick call to their contact at Acme PR.

Professional publicists got where they are because they're creative. They know how to package an idea or an image to get the media sit up and take notice.

As with most things, with professional services you get what you pay for. Most charge either on a project basis or on a monthly retainer. The fees are usually not cheap, and you're responsible for their (sometimes considerable) direct expenses. Evaluate their approach, their ideas, their style and make your decision accordingly.

If you do use professionals, manage them tightly. Call, and call often. "I read *The Journal* this morning and I didn't see my name on the front page. What are you doing?" They'll remind you about your last coverage. Here's one case where it's OK to say, "What have you done for me lately?" It's their job.

If you decide to go it alone, follow the example of the pros. They know that the press is literally deluged with promotional solicitations. They also know that they have to be creative if they're going to be noticed — and so will you.

No, the press has not seen it all. Creativity pays off. Anything you can do (in good taste) to be noticed and responded to is good.

Earlier I advised to make sure you don't waste the media's time. That's good advice — after you've gotten noticed, gotten that call, received that talk show inquiry. But until you do, you've got to make yourself stand out. Be careful that you don't follow tradition so closely that your communications to the media don't get noticed. I would rather get coverage than adhere to tradition.

Are You Prepared for the Response?

Don't get the ball rolling until you know how you'll handle the response, and it's got to be immediately. What if ten writers want to interview you? Suppose five local TV talk shows

want you to guest? Are you willing to travel across the country at your own expense to do a five-minute national TV segment? How would you handle 3,000 customer inquiries?

You want to strike while the iron is hot, because it'll cool off even faster if you don't.

Always, Always Make Time for the Press!

Members of the media lead a hectic life. Writers call you a few hours — or a few minutes — before their deadline for information. Planned talk show guests cancel out at the last minute, and the producer wants you to fill in. And I guarantee you, it will always be at an inconvenient time for you.

Drop everything, make time, change your plans, be immediately responsive, follow up quickly, and work at their convenience, not your own. Ron Howard will get plenty of advance notice for his spot on Oprah. You probably will not.

Not All Leads are Business Opportunities

Suppose everything's gone well. A newspaper or talk show has picked up your story. The article or program was great, and now leads are pouring in. Sounds good? Maybe. But just getting a mountain of leads can also waste your time. You want qualified leads, and the right publicity effort can bring those targeted leads to your doorstep.

Many years ago, in-flight magazine publishers discovered the bingo card. The concept was good — all an airline passenger had to do was take a pencil and circle numbers, mail the card after disembarking and receive all the information he wanted.

But... some advertisers realized that when the air is thin, the liquor flowing, and people have little to occupy their minds, some people become mesmerized by cards and circle those little numbers to death. Retailers sent out mountains of information, but few prospects bought. Responding to the leads was too costly for the business obtained.

The same applies to publicity. If you're not discriminating, you can get lots of leads. But are they the right leads?

How do you screen your publicity opportunities to ensure that you get only qualified leads? When making information offers, you can charge a dollar or two in order to separate the interested from those who just like to receive mail.

The Rich Get Richer

The more coverage you get from the press, the more you will get. Quite simply, press begets press. Maybe you've noticed the same "experts" quoted and interviewed on CNN, CNBC, etc., over and over again.

That's because when a reporter or researcher is working on any given story, they don't want to keep recreating the wheel any more than you do. They turn to their own subject files — with their own contacts — or look at other articles on the subject, and pick up that phone. Your job is to plant as many seeds as you can.

Restaurant

Restaurants install what I'll call customer service or PR officers in their offices to go out with groups and arrange special promotional activities to get people acclimated to coming in.

For example, I had one restaurant client about a year ago for whom we set up an arrangement where they sent someone to office buildings in their area. Also, once a week, the employee of the week at participating businesses got a free lunch or dinner at their restaurant, and usually four or five people would come with them. They had a regular ongoing program where they worked all the businesses.

We set up another program where the restaurant arranged with civic organizations or women's organizations to have breakfasts or lunches — usually at off hours — to bring people in and familiarize them. This place was more of a breakfast, luncheon, bakery-type of place, and they offered special breakfasts for introductory purposes for groups.

They used marketing dollars they would normally dissipate on wasted advertising, and instead would spend it on a correlatable basis. In other words, instead of wasting \$5,000 a month on advertising, they figured that \$5,000 would buy 2,500 lunches at cost, or whatever.

They would place a certain number of them, and then experiment and analyze how many of them brought in more business. It was very interesting. That's something you could think about doing for your organization.

Here's something else. When people solicit you for charity, it's probably a negative to you. Maybe you give coupons for dinner, and maybe you don't. It's sort of an irritating, cringy, probably not a real positive thing.

But remember what I told you earlier about having a PR person or liaison? You could actually have people to work full-time with organizations, setting up really powerful arrangements where you got involved. It wouldn't be a hit-and-miss thing, or something not controlled by your own timing.

Instead, you'd mastermind a whole charitable program built around you. You could set up a hundred of them around your community. Even though you give modest amounts of food as the prize or drawing, you get all the benefit from the association, all the goodwill.

Think about this: You get your person to find all sorts of charities and go to them. If your off hours — say, between two and four — are basically empty, then on Mondays and Wednesdays you could invite groups to meet there during those hours. You could buy them coffee and refreshments. That's the first thing.

Second, you could organize fund raisers where you'd give dinner for two for a whole year as a prize. You can mandate that it has to be on a certain day, because then the probability of having to deliver the whole year's worth will be less. You'll probably end up having to put out only half of the year, because nobody's going to come every Thursday for a year. Also, it's not transferable.

The point is, you'd have this person working with all sorts of groups. You go to schools and do fund raisers. Just don't do it blindly. Try one each month or each week, or have a fund of experimental money, maybe \$20,000 or \$25,000 a year. Experiment with derivatives of what I'm giving you here, and create your own.

Maybe the first thing is, your person goes to schools and charitable groups and gives them certificates. Maybe the certificates have \$10 worth of dinner and you give it to them for \$2. Or you give it to them free, and they sell it for fund raising. You see what happens and you

analyze. If people get acclimated to visiting your business, a finite percent of them are going to keep coming back X number of times a year forever.

The problem may be that you don't really have the dollars, or the frequency and the dollars are more limited, so the dynamics are going to be more difficult to handle profitably and cost-effectively.

I assure you that if you try four or five of the derivative kinds of concepts we're talking about here, some of them — one, two, or three — will work and be replicable. They will either produce immediately, or on a residual basis they'll yield enough cumulative profit that you can take the concept all over the place.

Acquiring Qualified Lists

Special events are things that you do once or twice a year, probably with some of your fusion marketing partners, to attract customers, prospects, and PR attention. Again, if you're going to have a special event, be sure you notify the media.

They will want to know about that event because they need the news — and your special event can and should be built around news, as in the following example.

When Nancy Reagan was found to be consulting an astrologer, one of my clients got a phone call from his PR firm asking, "Could you use an astrologer?" He said, "Yes. Send out a press release saying, 'Get Presidential treatment at the Claridge Hotel with Judy Brady'" (who is very well known in Chicago).

They got 150 reservations for the night, (which for that hotel was almost selling out) and there were lines in the lobby. The deal was a free consultation. The astrologer would read your future for you. All three television networks showed up; there were five on-air radio interviews, and every local and big newspaper covered it. And the only negative to the hotel was a nominal cost of \$250.

Distinguish Yourself Through Charity

You want to take the opportunity during the holidays to distinguish yourself and really differentiate your business in a positive, noble manner. I would communicate with all your

customers and ask them to help you do something charitable or meaningful to some segment of the community.

You could rally everybody together to give to the poor, to collect gifts or toys for the underprivileged. You could buy Christmas ornaments or holiday baskets and give them away. You could donate toys to the local children's hospital.

For example, I know of a printing company that collects clothing during the holidays every year. Then they actually drive to the depressed part of town and hand out sweaters and hats and gloves and shoes to the homeless. There's no shame in doing something noble and getting marketing, public relations, and goodwill benefit to boot.

Doctor Marc Rogers' Magic Top Ten News Release Templates

Here you have — thanks to my incredible generosity — a full set of publicity tools, all sharpened and ready to go. These templates are tailored to help you quickly create a news release on the ten most popular kinds of stories. Each template comes with instructions and suggestions.

You'll find ten templates, complete with notes and actual examples of small business news releases. They are basically a fill-in-the-blanks, automatic publicity-generating machine.

The examples I share here are based on real events, actual happenings that won real live press coverage. I've changed the names and numbers, etc. and turned them into fictional press releases.

None of the releases are longer than 200 words, including contact information at the foot. When you're vying for a place in the newspaper, smaller is better.

How To Use These Templates

First, look them over. You'll see that each template is designed to cover one of the ten most popular kinds of news stories. Look over the list and see if you are not able to generate a good excuse for news coverage. Often imagination is more important than the event.

Probably your best overall shot is to publicize a new product or service. Newspapers like to run news, and news is about new and different things, i.e., change. New products or services are probably your best news topic. They make excellent reasons to issue a news release, and one that has a very good chance at earning some ink.

You don't have to sit around and wait until you are forced into providing a new product or service. Think niche. Sit down and think about developing a range of products or services, with variants of existing products and services aimed at different types of niche markets. Give each one a separate but related brand name.

Launch each service, with a decent time interval between, to give you extra chances for press coverage.

Make sure the news release follows Dr. Rogers's Golden Rules on writing:

1. Use success words.
2. Wrap up as many answers as you can to the "5W" questions in the first sentence. (Who? Where? What? When? Why?).
3. Ruthlessly strip out the superlatives.
4. Personalize the release for the media.
5. Follow my ten-step guide to professional press release layout.
6. Build your reputation with key messages.
7. Write in the active voice.
8. Be specific.

The answers to the "Why?" question is often best addressed in the second and third sentences.

Use a new paragraph for the "Why?" part of the release. News columns, being narrow, look better with text broken up into one or two short sentence paragraphs.

When developing the rest of your release with your answers to the “Why?” question, concentrate on the novel aspects of your product or service.

- Why is it different?
- Why is it better?
- Why is it new?
- Why is it innovative?
- What gives it that extra spark?
- Why did you launch it?

If there is nothing new about it, you do not really have a reason to put out a press release.

On the other hand, you may have a national press release on your hands. Is it unique?

Can you claim:

- A world first?
- First in America? (or any other major area?)
- A first on the West Coast? (or in the state?)
- First in the northeast? (or any other region?)

“Firsts” can be quite basic. A new type of soap or cosmetic; a new service for lawyers or laundries; or indeed any other trade or profession, industrial or commercial sector you have targeted.

If you get into firsts, the *Guinness Book of Records* could give you great ideas for extra publicity. You could go for a world record in something related to your business.

Bring in a quote if it contains further useful information.

The last sentence of the release should wrap up the “How do I get it?” details: who to contact for sales.

Keep releases down to a few short sentences. (Four or five is ideal.) Any further information can be on a separate sheet called “technical specifications” or “background notes,” depending on the subject matter.

Template #1: New product or service launch

Simply fill in the information required and print on your letterhead under a large “News Release” heading.

(Date)

(Headline)

(Town/Area)-based (Your Business Name) today launched a new (Product or Service) aimed at the (Type Of Customers) market.

The new (Name of Product or Service) is (List Unique Characteristics)

(Quote)

(Key Reputation Message)

(“How Do I Get It?” Details)

ENDS

For further details contact:

(Your Name) at (Day and Evening Telephone Details, Plus Mobile or Pager Numbers and E-Mail)

Example 1: New Product Launch Press Release: 198 words)

XYZ Company:

XYZ House, Any street, Any town, any Zip Code. Any telephone and fax numbers and e-mail

PRESS RELEASE

20 January 2001

Birmingham bakery announces slimming breakthrough
Having your cake and losing weight*

Birmingham-based XYZ Company today launched a groundbreaking range of cakes aimed at slimmers throughout Alabama.

Slimfast cakes are the first in the state with 90% less fat than their average counterparts.

Joe Bloggs, XYZ's Managing Director, said: "We're patenting a new bakery process which allows us to cut the fat to well below any other cake in the South."

XYZ, founded five years ago, has rapidly expanded to become one of the Alabama's leading wholesale suppliers of ready-made bakery products.

Slimfast cakes come in three varieties: ginger and orange; Madeira; and fruit. They are retailed at a suggested \$1 per packet in selected health food shops throughout the state.

Slimfast cakes are also on trial in supermarkets throughout Birmingham. The aim is to distribute throughout the entire state before the end of the year.

For further details contact Jean Smith, Sales Manager at (301) 762 4220

* If used as part of a calorie-controlled diet.

#

For further details contact:

Joe Bloggs, Managing Director, XYZ's Company, direct at phone # (day);
phone # (evening); or phone # (mobile)

Template #2: New business scores

If you win a major piece of new business, send out a release. If you are appointed a dealer or given a license for a well-known product or service, let the press know. People like to deal with people who are successful.

If you mention a client company by name, make sure you have their agreement to do so. A new business relationship could fail at the first fence if you take their name in vain.

If the client or customer is willing to give you an endorsement, include it as a quote: third party recommendation is far better than blowing your own trumpet.

Remember to follow Dr. Rogers's Golden Rules.

With new business wins, it's particularly powerful if you can answer the "Why?" question with a quote from the customer: WHY they bought your product or service or WHY have they appointed you as a dealer, licensee or franchisee.

When developing the rest of your release with answers to the "Why?" question, bring out aspects of your product or service that make it different from others.

- Why is it different?
- Why is it better?
- Why is it new?
- Why is it innovative?

- What gives it that extra spark?

The last sentence of the release should wrap up the “How do I get it?” details: price, where it can be bought or who to contact for sales.

Keep releases down to a few short sentences. (Four or five is ideal.) Further information can be included at the foot under “technical specifications” or “background notes.”

Include the client’s contact details if appropriate (see example).

(Fill in the brackets and print on your letterhead under a large “Press Release” heading)

(Date)

(Headline)

(Town/Area)-based (Your Business Name) today announced they had signed a new deal to supply (Your Customer’s Name) with (Name of Product or Service Plus Amount Contract If Worth Is Significant)

(Your Customer’s Person and Job Title) said “(Quote)”

(List Unique Details of Product or Services)

(“How Do I Get It?” Details)

ENDS

For further details contact:

(Your Name) at (Your Day and Evening Telephone Details, Plus Mobile or Pager Numbers and E-Mail)

(Client Press Contact and Contact Details)

Example 2: New Business Wins Press Release: 196 words

XYZ House, Any street, Any town, Any Zip Code. Any telephone, fax numbers and e-mail

SAMPLE "Business Score" PRESS RELEASE

20 January 2003

Trenton Firm Signs Deal With Well-Known Company

Trenton-based XYZ Company today announced the signing of a \$250,000 deal with Well-known Car Co. to supply XYZ's customer care software, NiceDay, to every branch of Well-known in the state.

NiceDay is XYZ's unique computer program that analyzes the non-verbal signals we all give out. Working in conjunction with video cameras, it analyzes body language and facial expressions, measuring individual salespeople's performance against top sales performers. The software produces a printout showing areas to develop.

The deal is a breakthrough into the automobile sector for XYZ, leading suppliers of sales-related software to the banking and financial sector.

Jim Smith, Well-known's Sales Director, said: "We chose NiceDay because we believe it will significantly improve our salespeople's relationship with customers. Quite simply, there's no other product like it."

For more information about NiceDay, contact Julie Brown at XYZ, at (213) 445-5556

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For further details contact:

Jim Smith, Well-known's Sales Director direct at phone # (day); phone # (evening); or phone # (mobile)
(Technical notes enclosed)

Template #3: Winning an award

An award of almost any kind is an external endorsement of your company and its staff — and worthy of a press release.

Usually the organization that wins the award will have their own PR professionals issue a release. But don't fall into the trap of thinking they're the experts, and counting on them to promote your business. Professionals will serve the person that pays them. You can count on them writing the release from their client's perspective, probably giving your company's name only a single mention with no details about what you do.

They will distribute the release where their clients want it to go. A casual assurance that it's going to the regional media in your area may mean they are sending it to a couple of newspapers. From a New York perspective, that probably doesn't mean dealing with the local press. You can build up a much more detailed press list if you follow Dr. Rogers's advice.

You are better off doing your own, but at the very least, make sure you see a copy of the release before it goes out, and see to it that it contains at least a sentence or two or a direct quote from you about your company. Make sure they distribute to your press list or ask if you can issue your own regional release. Check out their trade press distribution, too.

Try and ensure the release includes a judge's quote on WHY they selected your business as the winner.

If you are putting out the local release yourself, remember to follow Dr. Rogers's Golden Rules:

When developing the rest of your release with answers to the "Why?" question, bring out aspects of your company, its product or service that make it different. To answer the "Why?" questions, try and get a quote from a judge or an awarding organization spokesperson.

Make sure the last sentence of the release contains your sales inquiry contact details.

Keep releases down to a few short sentences (four or five is ideal). Further information can be included under “background notes” on a separate sheet.

Include the awarding body’s press office details if you believe them to be appropriate (see example).

(Fill in the brackets and print on your letterhead under a large “News Release” heading)

(Date)

(Headline)

(Town/Area)-based (Your Business Name) was today named the

(Country/Entity’s) top company in (Whatever the Award is for). (Your Business Name) beat (Number) competitors to win the prestigious (Name of Award).

Judging the awards, (Award Judge’s Name) said:

“(Quote).”

(List Of Your Company’s Unique Features)

(‘How Do I Get It?’ Details)

#

For further details contact:

(Your Name) at (Your Day and Evening Telephone Details, Plus Mobile or Pager Numbers and E-Mail)

(Award News Office Contact Details)

Example 3: Winning An Award News Release: 199 words)

XYZ Company

XYZ House, Any street, Any town, Any Zip Code. Any telephone, fax and e-mail numbers and details

NEWS RELEASE

20 January 2003

Maryland Winner Scoops Top Agricultural Science Prize

Rockville-based XYZ Bio-research Company was today named winner of the prestigious ABC Agriculture Award, the "Nobel" prize of American agricultural science. The award was made for their pioneering work on the early detection of JOB disease in sheep. As JOB is only treatable in its early stages when it is difficult to detect, this could save American farmers millions of dollars.

ABC Award judge John Brown president of the Agriculture Research Confederation said, "XYZ is a tremendous example of leading edge bio-research.

A spin-off from the United University bio-research department, XYZ was set up two years ago by three scientists. Their aim is to find commercial applications for bio-research discoveries.

To date, XYZ has pioneered a potential cure for spontaneous abortions in pigs.

Contact the company at telephone # for further details.

#

For further details contact:

Joe Bloggs, XYZ, direct at phone # (day); phone # (evening); or phone # (mobile)

Template #4: New appointments

Recruiting new people to prominent positions or promoting employees shows your company is growing. That is a message worth getting across.

Press coverage of a new appointment is a quick and effective way of introducing a new member of staff to people. It is also a good idea to tell important customers about the appointment before it appears in the press.

The appointment release should show previous career highlights of your recruit. If the newcomer is a member of the management team, enclose a professionally taken head and shoulders photograph.

Do not forget to send out a release if you are appointed to a professional association or trade body.

Remember to follow Dr. Rogers's Golden Rules

Appointment announcements appear in the press as one or two sentences, so do not make busy journalists edit your text. Keep appointment releases to the minimum.

Note that the sample provided gives you the excuse to distribute the release to the local press in your area, and also to the area where the new recruit comes from.

(Fill in the brackets and print on your letterhead under a large "News Release" heading)

(Date)

(Headline)

(Name) (Age) was today appointed (Job Title) of (Town/Area)-based (Your Business Name). He was previously (Previous Job Title).

#

For further details contact:

(Your Name) at (Your Day and Evening Telephone Details, Plus Any Mobile or Pager Numbers and E-Mail)

Example 4: Appointment News Release: 94 words

XYZ Company

XYZ House Any street, Any town, any Zip Code. Any telephone and fax numbers E-mail address

SAMPLE "APPOINTMENT" NEWS RELEASE

20 January 2003

Richmond Man Gets Top Sales Job At Arlington Packaging Firm

Richmond-born John Smith (29) was today named sales director of Arlington-based packaging firm, the XYZ Company. Mr. Smith was previously head of sales for ABC, Inc.

His appointment will spearhead a new sales drive for XYZ's unique range of impact-resistant packaging throughout the region.

XYZ Company is Virginia's leading impact-resistant packaging specialist.

#

For further details contact:

Joe Bloggs, direct at phone # (day); phone # (evening); or phone #

(mobile)

(Photo enclosed)

Template #5: Anniversaries

Anniversaries show you have staying power. And in today's changing world, that deserves a press release.

If your business has some history and the birthday is a big one, try and organize an event relating to the year you were founded. Maybe one of the founders could be quoted.

If prices have fallen in real terms since you started, you could use the occasion to make that point. Or you could say that, due to increased efficiency, prices have gone up by X percent since you were founded, compared to Y percent on the Retail Price Index.

Anniversaries can be celebrated with an open day or party for customers and neighbors. Such occasions can be good photo opportunities.

The release should follow Dr. Rogers's Six Golden Rules.

You can include a short list of the company's achievements in this sort of release: Firsts, innovative products, breakthroughs, etc.

The last sentence of the release should name the company's sales contact using a first name rather than initials.

Keep releases down to a few short sentences. (Four or five is ideal.)

Further information can be included on a separate sheet headed "Background Notes."

(Fill in the brackets and print on your letterhead under a large "News Release" heading)

(Date)

(Headline)

(Town/Area)-based (Your Business Name) will be celebrating its Xth anniversary on (Date). To mark the occasion, the company will be (Whatever You Plan To Do).

Since the launch, (Your Business Name) has (List Main Achievements),

(Quote)

(Sales Contact Details)

For further details contact:

(Your Name) at (Your Day and Evening Telephone Details, Plus Any Mobile or Pager Numbers and E-Mail)

Example 5: Anniversaries News Release: 200 words

XYZ Company

XYZ House, Any street, Any town, Any Zip Code. Any telephone and fax numbers. E-mail address

NEWS RELEASE

20 January 2003

San Diego Pottery Raffles Manor House Away in 10th Birthday Celebrations

San Diego-based pottery, XYZ, will be celebrating its 10th birthday next week with a free raffle to win the Manor House, a 12" ceramic sculpture worth \$500 from XYZ's award-winning domestic architecture series. Five other winners will receive their choice from the "miniature cottage" series. All visitors to the shop can enter the drawing.

XYZ was set up by husband and wife team John and Jean Smith after John was made redundant. It now employs five people and sends its ceramic sculptures all over the world.

XYZ is best known for popular limited editions of traditional domestic buildings, sought by collectors in many countries. Its high standard of craftsmanship has been recognized by numerous awards.

XYZ Pottery is at 123 High Street.

For further details contact:

John or Jean Smith at phone # (day) or phone # (evening)

#

PHOTOCALL. INVITATION

Councilor's daughter draws prize raffle

The raffle will be drawn at noon on 27th January by local councilor Joe Bloggs and his daughter Jessica (eight). You are welcome to send a photographer to XYZ, 123 High Street, San Diego, where the Manor House will be on display.

(Company history details attached.)

(Company history details enclosed)

Template #6: Business expansion

Taking on new staff or building an extension is an expansion of the business. Any business expansion sends out a positive signal that is certainly worth amplifying.

Are you:

- Expanding premises?
- Expanding your production team?
- Expanding your sales team?
- Expanding into new markets: industrial, business or commercial sectors?
- New geographic areas?
- Expanding your range of products or services?

If a new building is involved, you can have a news release at each phase:

1. Announce the project is going ahead.
2. Have a groundbreaking photocall.
3. Arrange a topping-out ceremony, with photocall, when the roof is on.
4. Organize a grand opening, again with a photocall.

Highlight staff increases: new jobs in any area are important.

Remember to follow Dr. Rogers's Golden Rules.

Answers to the “Why?” question are often best addressed in the second and third sentences.

If the business expansion is associated with new business wins, remember the power of third party endorsement. See if you can answer the “Why?” question with a quote from the customer:

WHY do they buy your products or service?

WHY have they appointed you as a dealer, licensee or franchisee?

When developing the rest of your release with answers to the “Why?” question, bring out aspects of your product or service that make it different from the others.

- Why is it different?
- Why is it better?
- Why is it new?
- Why is it innovative?
- What gives it that extra spark?

The last sentence of the release should wrap up the “How do I get it?” details: price, where it can be bought or whom to contact for sales.

Keep releases down to a few short sentences. (Four or five is ideal.) Further information can be included on a separate “Background Notes” sheet. This gives the journalist a choice to include additional information from these notes rather than you trying to cram everything into the text of the release.

Business expansion Sample News release

(Fill in the brackets and print on your letterhead under a large “News Release” heading)

(Date)

(Headline)

(Town/Area)-based (Your Business Name) today announced an additional

(Type of Expansion) for its (Products) at the (Place). The additional facilities will result in (What? Staff Increases? Extra Production Capability? Increased Turnover?). Work on the new facility is scheduled to commence on (Date), and will open (When?)

(Your Customer's Person and Job Title) said: "(Quote)."

(List Unique Details of Your Product or Service)

(Your Key Message)

("How Do I Get It?" Details)

#

For further details contact:

(Your Name) at (Your Day and Evening Telephone Details Plus Any Mobile or Pager Numbers and E-Mail)

(Client News Contact and Contact Details) (Offer photos "available on request" if you have them.)

EXAMPLE 6: BUSINESS EXPANSION: 200 words

XYZ Company

XYZ House, Any street, Any town, Any Post or Zip Code. Any telephone and fax numbers and e-mail addresses

SAMPLE NEWS RELEASE

20 January 2003

Washington Firm to Expand

Washington-based top millinery firm XYZ Company today announced they are to build an additional manufacturing facility in Any Street, Washington. Thanks to an increase in orders from London-based fashion houses, they plan to double the workforce.

Julie Bloggs, who started XYZ eight years ago from her Washington home, said: "Curt Pretzel, the famous international designer, saw one of our special hats at a wedding and asked to see more. Since then, headpieces have been featured in his fashion shows and the word is spreading." XYZ moved into an old mill on Any Street five years ago. They have commissioned a purpose-built production unit on an adjacent site. They will keep their administration staff in the old mill and let out the top two floors as offices.

Work on the new project is scheduled to begin on 15th February; the new facility will open six months later.

XYZ specializes in one-off custom-made hats for special occasions, with prices starting at £75 (\$100). For more information, contact Julie Bloggs at 201-445-1566.

#

For further details contact:

Julie Bloggs direct at phone # (day); phone # (evening); or phone # (mobile)

NEWS PHOTOGRAPHS AVAILABLE ON REQUEST

Template #7: Surveys

Surveys are one of the best ways to generate publicity. Subject matter can be anything you could reasonably be expected to know about in your business area.

For example, different angles on the effects of stress could be surveyed by management consultants, lawyers, organizational change consultants, psychologists, health farms and almost anyone connected to the health business, both mainstream and alternative.

Survey tips

Think of subjects that have a wide appeal for popular NEWS coverage:

- Diets
- Health
- Work
- Money
- Human relationships
- Home
- Family
- Holidays

- Cars
- Pets

Then build up your survey questions.

Keep the surveys simple and easy to handle: two to five questions is ample, with easy to answer categories.

To see how the questions and answers work, first try them out on a few people.

For maximum effect, release survey data when things are quiet:

- On a Sunday for Monday's papers.
- During the July holiday period.
- Between Christmas and New Year.

The release should follow Dr. Rogers's Golden Rules.

Keep survey releases down to a few short sentences (four or five is ideal) bringing out the highlights. Enclose a copy of the full survey with the release and be prepared to fax key parts of your data on request.

(Fill in the brackets and print on your letterhead under a large "News Release" heading)

(Date)

(Headline)

(Key Survey Finding) was revealed today by a survey conducted by (Town/Area)-based (Your Business Name and Type of Business). The survey, which polled (What Category of People?), also found:

(List Other Key Findings: Highlights)

Commenting on the survey results, (Your Name and Job Title) of XYZ said: (Quote)

(Your Key Message)

("How Do I Get It?" Details)

#

For further details contact:

(Your Name) at (Your Day and Evening Telephone Details, Plus Any Mobile or Pager Numbers and E-Mail)

(Enclose survey data or say that full survey details are available upon request)

EXAMPLE 7: SURVEY: 196 words

Company

XYZ House, Any street, Any town, Any Zip Code. Any telephone and fax numbers and your E-mail address

SAMPLE "SURVEY" NEWS RELEASE

20 January 2003

Atlanta Survey Reveals Dogs Are Man's Best Friends

A survey conducted by Atlanta-based XYZ pet shop reveals that 62% of its male customers prefer their dogs to humans. Results announced today show only 3% of female customers rated their dogs more highly than human friends.

The survey, conducted among XYZ customers over a three-month period, also revealed that pet owners were more likely to take out health insurance for their pets than for themselves. XYZ is an agent for ABC Pet Insurance.

XYZ owner Joe Bloggs said: "We knew that dog owners have a special bond with their pets. But we had no idea the survey would reveal that 'man's best friend is his dog' would turn out to be quite literally true."

XYZ opened their pet store in Atlanta three years ago with the aim of being the number one pet care center in Atlanta. In addition to a wide range of pet foods, books and accessories, they run a pet-grooming service and discounted Pet Health Insurance.

XYZ is at 123 Anystreet, Atlanta.

For further details contact:

Joe Bloggs direct at phone # (day); phone # (evening); or phone # (mobile)

#

Template #8: Issues

Find a topical issue that is already attracting press comment or some controversy that is relevant to your business. Then piggyback, put out a news release commenting on the issue, as long as you have a reasonable reason for expressing your views. The issue can be local, national or international.

Threats to a business or industry are a credible reason to state your views. A by-pass which may affect your petrol station business would generate publicity in the local press. You may not be able to stop the event, but they may agree to signpost your station.

Similarly, the local press may be interested in your views on how a proposed out-of-town shopping center will affect your business. New traffic and parking restrictions affect retail businesses. Perhaps you can highlight the plight of a group of traders and get some concessions in the form of reduced business rates or a relaxation of the parking rules, or a free shoppers' bus.

If the threat is more general, you may get wider publicity in the regional or national press. You may be a threatened industry calling for more regional aid. If you could be put out of business by new legislation, you could get national coverage.

If you can make your comments in public, perhaps as the speaker at a trade association or business club dinner, you have extra credibility. Ben & Jerry's Ice Cream used this hitchhiking technique with a vengeance, making themselves into one of the nation's best known "socially responsible" companies.

If you do use a public speech as a platform to raise an issue and generate press comment, make sure you have copies of your speech available in case the press ask for one. Make sure your release goes out in advance of, or at the same time as, your speech.

When you become better known as a spokesperson on your chosen issue, you will be able to ring up key journalists and tell them of the specific points you will be making during a speech that day.

The release should follow Dr. Rogers's Six Golden Rules.

Keep releases down to a few short sentences. (Four or five is ideal.)

(Fill in the brackets and print on your letterhead under a large "News Release" heading)

(Date)

(Headline: Sound a Warning)

(Your Name and Job Title) of (Place)-based XYZ warned against
(Key Issue) today at a meeting of the (Name of Organization ou Were
Addressing)

(list other key points briefly)

(Your Key Message)

#

For further details contact:

(Your Name) at (Your Day and Evening Telephone Details, Plus Any Mobile
or Pager Numbers and E-Mail)

Example 8: Issues: 195 words

XYZ Company

XYZ House, Any street, Any town, Any Zip Code. Any telephone and fax numbers and E-mail address

NEWS RELEASE

20 January 2003

New Orleans Management Consultants Sound Stress Warning

Employers are ignoring the dangers of stress at work, according to New Orleans-based management consultants XYZ. Joe Bloggs, XYZ's expert in stress in employment, says, "Almost all the companies we see have no provision for measuring stress levels at work, despite the recent six-figure landmark court awards for stressed employees."

XYZ's findings are in line with recent research carried out by the ABC Institute showing nine out of ten companies were taking no steps to avoid potentially damaging legal actions raised by stressed staff.

XYZ launched its unique stress monitor system a few months ago, based on leading edge research conducted at the University of ABC's psychology department. The stress monitor highlights potential risk areas through a series of self-assessment questionnaires and follow-up interviews. A confidential report highlights individuals at most risk and contains straightforward recommendations to improve the situation. A six-month follow-up checks the implementation of recommendations.

For further details of the stress monitor check from XYZ, call Joe Bloggs at (714)-345-6789.

#

For further details contact:

Joe Bloggs at phone # (day) or phone # (evening)

Template #9: Charities and Sponsorship

Involvement with a charity or a sponsorship is not just about making cash donations. Your support can take many forms: participation on the board or assistance with an event or providing goods and services (known as “sponsorship in kind”). If you have a retail outlet, perhaps you could arrange an associated window display or act as a collection point for sponsorship forms. If you have computer expertise, you could help with collating the results of an event. All of these would be good reasons to issue a news release.

Charitable involvement will give you a higher profile, so choose a reputable charity.

Charity-related news release opportunities include announcing your involvement with a high profile fund-raising campaign or putting out a release about your appointment to the charity’s board. As with all cooperative ventures, seek clearance from the charity concerned before contacting the media: they may well offer to put out the release themselves and save you the effort.

Fund raising lends itself to creative and wacky events. So be on the lookout for news photocall opportunities.

This is a case where Dr. Rogers’s Golden Rules have to be applied with extra sensitivity. It would be inappropriate to over-commercialize your release so content yourself with a mention and substitute the charity’s own key messages.

Bring in a quote if it contains further useful information.

Keep releases down to a few short sentences. (Four or five is ideal.)

(Fill in the brackets and print on your letterhead under a large “News Release” heading)

(Date)

(Headline)

(Place)-based XYZ has joined up with (Charity Name) and will be
(Whatever Your Involvement Is)

(Quote from Charity Spokesperson)

(List the key aims of the charity involved)

(Include the charity's key messages)

For further details contact:

(Your Name) at (Your Day and Evening Telephone Plus Mobile or Pager Numbers and E-Mail)

Or

(Charity News Contact Details)

Example 9: Charities & Sponsorship: 200 words

XYZ House, Any street, Any town, any ZIP code. Any telephone and fax numbers and email address

SAMPLE "CHARITY" NEWS RELEASE

20 January 2003

Brighten Cleaning Firm Backs Arthritis Charity Race

Dallas-based XYZ Company is backing the local Arthritis Campaign's annual sponsored race on the prom, starting at 10am on Sunday, April 11. XYZ is lending its offices, which overlook the finishing line, as race headquarters. It will provide computers and trained operators to help the organizers and will also host a "thank you" party for race officials. Prizes will be presented by Samantha Someone.

Joe Bloggs, managing director of XYZ said: "A number of our customers have arthritis. This is our way of giving something back."

Jim Smith, chairman of the Dallas branch of Arthritis Care, added: "We are delighted XYZ have offered such practical support."

The race is over three miles along a route verified by the Amateur Road Runners' Association. Money raised will be used for arthritis treatment research. Last year's race raised \$55,000.

#

For further details contact:

Joe Bloggs direct at phone # (day); phone # (evening); or phone # (mobile)

Or

Arthritis Campaign's News Officer, Julie Smith, at 217-999-9999 (day) or pager at 333-444-5555

Template #10: “Competition”

Sporting or competition success implies bright, motivated and keen people — just the sort of qualities you want to be publicly associated with your business. If you have a sporting or leisure passion that leads you to the prizewinner table, or if any of your staff are hot competitors in anything from golf to flea circuses, make sure you put out a release about successes. Remember to mention their job title in the release.

Tee shirts with your company's name are relatively inexpensive, but useful for prize-giving photographs.

The wackier the event, the more news appeal it has. So whether it's a scrambling champion or a top tiddlywinks player, let the press know.

Don't overdo the commercialism: this is a leisure pursuit we are celebrating. But do go for a company mention.

As always, Dr. Rogers's Golden Rules will keep you on track.

(Fill in the brackets and print on your letterhead under a large “News Release” heading)

(Date)

(Headline)

(Winner's Name and Job Title) from (Place)-based XYZ has won a
(Competition and Prize)

(Quote from Competition Organizer)

(Quote from Yourself)

#

For further details contact:

(Your Name) at (Your Day and Evening Telephone Details Plus Mobile or
Pager Numbers and E-Mail)

Or

(Competition Organizer's News Office Contact Details)

Excerpts from Consulting Calls

Here are some excerpts from consulting calls and interviews that associates and I have done with clients. See if you can apply any of the advice or insights to your own business:

D: But you also have a specific area that is very promotable from a PR standpoint; it's something that you can actually sell sponsorship around, and that would be what?

HW: We are talking about swimming the channel, aren't we here?

D: Yes.

HW: Well, that's a hobby I've done for some time and decided that it's about time I actually went and succeeded. So, you know, childhood dream come true with a bit of training and effort. The PR, the newspapers, the television, radios — they loved it. It was wonderful and we had pages and pages, photographs all over the place.

D: Now there is something special about the way you swim it, too, though.

HW: The last one I swam backstroke, which was the world's first.

I did front crawl the first time, which is just the dream of doing something like that, and decided that I wanted to have another go and do something a little bit different. Well, everybody wants to do a world's first, don't they? So I decided, well, let's just go do it backstroke and just kept training and succeeded.

D: For a little punter like myself that is well out of breath and has to rest for two days after I do 20 laps at the local gym. I am well impressed.

HW: Well, I've got to rest for two days if I do 20 miles but the publicity was wonderful. I had a problem with it though, of course, because I put all the costs down through the business. It cost about £2,000 hiring the boat and fees and costs and, of course, the taxman says, "Well it's a hobby, Mr. Welsh. You can't put that down as a business expense and get it tax deductible." It's a problem.

D: To every problem, we are not allowed in our office to use the word "problem." I know a lot of people shake their head at this, but it's a challenge. Or, to take it to the next step, it's an opportunity. The opportunity that I see for you is that you really could sell sponsorship around it. I mean, because you get all the PR... And there is a saying about PR, Roger, that you had the last time, the last call that we were on. There's the value of...

RM: Oh yes. I mean, one column of PR is the equivalent to between three and five maybe even ten columns of paid for advertising in the same publication.

D: So in other words you could bring recognition to your sponsors and they get their name mentioned X number of times throughout the story.

HW: This is the thing, but why would I want to sell sponsorship to somebody else when I am sponsoring my own business?

D: Well, there you have it. Then it's an investment, and you would have to have some kind of tracking involved in that. And that's really what I want to try and focus on.

RM: You're not prepared to do it again are you? Or do it butterfly next time?

* * * *

Jay: Jenny, what I want to do is this: What I would love you to do is, we want to thank you profoundly for contributing, and we know you are sitting there with your daughter anticipating giving birth any moment. So if anyone hears you go, "Ah, got to leave..." we'll understand that. That's good. I would like to ask that you take this three ways.

No 1) Maybe give a five or ten minute, if you can, overview of the core essence and simplify and demystify what PR is.

No 2) Demonstrate the fact that you've got to sell the editor, you've got to sell the newsperson, you've got to sell the organization who is going to reference you in their publication. You've got to sell them on why it's important to their reader, their member. It's not like just because you've had your 28th year in business or moved to a new facility that means anything of value to me.

And I think that most people don't realize there are these two tiers — you've got to sell the editor or the representative, but only because they've got to be able to find a take on it that's fascinating, stimulating, valuable, intriguing, humorous or whatever... and serves a need that they are responsible to do.

No 3) Also, give them a neat little format so that anybody can do a press release, and anyone can become media-oriented. And if you could give a couple of simple case studies and maybe either answer the five or ten most frequently asked questions... or, if Duncan can do it in a simple queuing, dare people to ask you specific questions. But don't let them be abstract, because our time will get away, and you'll be spending more than you committed to us on this.

Leave them with a simple template that, again if they are committed to "Ready, fire, aim..." that tomorrow morning they could do something. Show them how to find one — or twenty — really wonderful things about their product, their people, what they're doing, their uniqueness... If you can do any or all of that, you did them a great service and I appreciate it.

DM: That's great. Jenny, the first rule I came up with was to relate your story to something that's going on in the news already.

Jenny: OK. For instance, if you were an insurance company, have the recent statistics come out on crime. So you would hook your story into that. You would pull those in. You could use it maybe to put it in with your offering, which is what we've done on a number of occasions.

If you're a retailer who wants to sell Christmas gifts, then you would contact the press at that time and get them to talk about Christmas. If you're a dentist it could be school holidays and giving advice on what your children should be doing during school holidays, and also giving advice on how they should take care of their teeth — that sort of thing.

It depends whether you are trying to go locally or whether you are trying to go nationally. It could be that on a national newspaper you may want to just write a letter.

DM: Before we get into the specifics of it you have a really neat way of explaining and giving some perspective on what people...

Jenny: You should be going out with me. A sales promotion is when girl meets boy and he says, "Oh, you are just so beautiful. I really, really love you." And then the girl goes out with him.

PR is when the girl hears from others how fantastic the boy is, and she seeks him out. PR is about developing awareness. It's developing understanding. It's building reputation, and in this context, it's building business. And that's really what it is, so that you can increase your sales and that's really what this is all about.

DM: OK. That's great. I think that's wonderful. We all want to be the most popular boy or girl in school so we don't have to worry or tremble when we are trying to approach somebody.

You also had something very interesting about the process you identified. For me, the two very important buzzwords that I don't hear generally discussed in marketing, but you talked about — key messages and key issues.

Jenny: As an organization, or whatever you are, you need to understand what it is that you are going to be telling people. And you should have some key messages going through whatever it is you do which says who you are and what you are. And you need to make sure those messages are right. What you need to do is speak to your customers/clients, find out what it is they think of you.

There is a classic story of the bus company that spent a fortune advertising the fact that its buses were all on time and nothing happened to the business. Then they went out and asked their customers — or their non-customers — why they didn't use the buses, and they said, "Well, it's down market, and we don't use buses." And so they had to change the campaign to provide what the customers wanted from their point of view... to make people feel good about using buses. It wasn't to do with time.

And often I've seen that again and again, that companies make assumptions about what their customers are buying from them for and tell their customers things actually that the customers don't necessarily need to hear or want to hear.

So, it's really important when you are putting those messages out, because PR can plug the gaps. "Our clients don't understand the services we offer," is one of those things. And often they don't know the full range of what you can offer... or have an understanding about the product... or they have a view about your particular profession or whatever it is.

So you may want to be telling people that you are credible. It's like estate agencies or the job agencies, there can be questions of reputation.

So you might want to be building your reputation. It really depends what it is you want to be saying, but you need to have that really clear.

The other thing you need to do is to really become an expert in your field, whatever it is... know about your market, your sector... Because that's something the press are really keen on — when they've got people they can use as experts.

So, it may be with your local newspaper you really want to try and meet your key editors, build a relationship. And, for instance, one of the big things they like is to give advice. You often see in your papers something like "Ten Rules About This, That or The Other."

If you are an image consultant you can do a before and after. You can write articles on how to make yourself good. If you are a professional, then you could also do an article on how to get the best out of using professional services, or you can talk about your particular specific area.

The big thing is to become an expert in your field, because the press often are not experts, and they need people who can support them and give them that expertise. It happens on national

newspapers as well. I've seen it again and again. If you are articulate and you understand what you are talking about, then the press are very interested in hearing from you.

DM: Very interesting. You're talking about a relationship with journalists and with the media. Is there a progression, a starting point, a second or third step in the process?

Jenny: What I always say with people who don't know the media and haven't used it terribly well is, it's better off to start with local media. And also if you've got trade media that you want to raise your profile in, then start with those and practice on those.

The big thing to remember is never, ever say anything to the press that you don't want to see in print. Never be lulled into a false sense of security and tell them something you would never want to see in print, because most journalists are absolutely fine, but there are a number of them who...

I've seen people so often have been lulled into this false sense of security, and then they see it in print and it is a disaster for them. It's like Gerald Ratner saying all his jewelry was crap, and you know what that did to his shares — he lost his job, he destroyed everything.

So, you need to really make sure that what you are saying sits with the messages; it says what you want to say about your organization and just remember that. If you see politicians on the news, they are just saying what they want to say — they often aren't answering the questions — and I'm not saying that I necessarily agree with that all of the time, because that doesn't always look good.

But just remember, particularly if you are on a news program, that you get in what it is you want to say and you are very clear about that.

DM: That's really interesting. How do you decide what your key messages are and how do you determine what's newsworthy?

Jenny: Well, in terms of key messages, that's all tied up with your marketing because it's a question of what do you want to be saying as an organization? What's your USP? What do you want your reputation to be as well? Do you want to be seen as trustworthy, as innovative, as solid, as providing a very creative service? It depends on how you want to be viewed in the market.

And you probably want no more than five key messages to run through. It could be about the particular service you are offering. It could be that you understand you can offer a solution to a particular business problem, or that you are an expert in a particular field, or that you provide executive recruitment in a particular sphere or in a particular area — so that could be one of your key messages.

It may be that people don't know about all the services you offer so it may be that's one key message. But it also can be things about who you are as an organization, and what you look like, what you feel like as your reputation. But that must follow through.

And also when people pick up the phone, what you are saying in your messages must be there from the point of view of your staff. If you are saying you give outstanding customer service, then that has to be there if that's the element you are looking at.

DM: That's great. I am just wondering... You've mentioned a couple of times about how important it is to be an expert or establish yourself as an expert, and you've said case histories and before and after might be a way to do that. Take us through what that process might be with a journalist.

Jenny: In terms of case histories, it's the old thing of endorsement, isn't it? Third-party endorsement always has a great deal more power, and the press love those. They like stories that are heart-warming.

We've done ones for pet insurance, and some dog has swallowed some string and it was how the company sorted that all out. You must often read Sunday newspapers and you think, "My God! How on earth did they get this stuff in?" It doesn't seem terribly exciting or interesting, but it was the way it was presented to the journalist. And that's part of the way it's done.

What is really good is to sit down with your group of people and just brainstorm about different kinds of things that might be interesting as hooks. What have you read locally in the newspaper? What things might be interesting? Is it around Christmas? Is it around Easter? If I'm selling flowers can I hook something into Easter?

Once again, you can do a sort of checklist of what you might do in terms of giving advice on flowers. If you are a jeweler it might be, if it's Valentine's Day, writing romantic stories around particular jewelry. There are all sorts of different things.

So it's really just looking, just sitting and brainstorming with the people around you, and just being aware of what's going on, what time of year it is. If you are a retailer, there are certain times of year when people are buying gifts, for example, a wedding season.

There was a "Drink-Drive Day" on this particular insurance company. And we went in on the basis of what impact does that have if you have a problem with drinking and driving, and you are caught there? What impact does that have on your insurance side of things? There can be statistics.

You can also do surveys, just local kinds of wacky surveys. Companies do these sort of crazy things about particular names of people or birthdays. There was one stupid thing about the most responsible, reliable people, and looking at their birthdays and who had fewer accidents... and who was fatter or thinner, depending on their birthday.

It's just a question of all sitting round and coming up with some ideas. If you are a serious business, it may be that there are things going on about minimum wage — about the white paper on transport. That may be something that you might want to look into. There are all kinds of things.

And that could be from a business point of view, because also you may be in a particular sector of business.

But if you want to get credibility and a high profile, then you can actually get yourself there by making your company look a lot bigger by getting involved in those kinds of things. You can get the IOD to make you a spokesperson locally. They are often looking for things like that. You can go to local radio and things.

So, you can do it in terms of what you do as a business and what's going on there. It's like if customer service is a big issue in business, so that if you are running a hotel it could be using your staff to talk about a particular thing — about maybe a wedding, or where something really special happened, and that would be really interesting to the local paper.

So, it's just sitting down and just thinking slightly out of the box about what you are doing, because everybody has good things to say about themselves.

I think one of the other things that is really, really good is that I know there's a thinking about what your background is as an individual, and what you've done... Because you are all entrepreneurs and you've all built up, you've spent time building your business. There must be interesting things that have happened. I know that we've got a, I believe, a swimming jeweler.

DM: Yes. Hadyn Welsh.

Jenny: So obviously, the whole story around that is really, really interesting. You could maybe say that "The guts and determination that it took for me to do that actually has a lot of parallels in business," and write an article around that about how it's made you successful in business because of the planning, the thought, the various things you needed to do that.

There's just hundreds and hundreds of things out there that you can look at. If you look at the local papers particularly, there's a lot of not terribly exciting stuff in there, so if you can build a relationship with your local paper... Also, I think one of the things you can do is get involved in charities, supporting that kind of thing. And if you're doing a charity run, or your staff is doing a charity run, get them onto the local paper. You can even do your own snapshots of you as long as it's reasonable, and just build this relationship with the local newspaper.

If you are doing national newspapers then...

DM: Yes, this is a very interesting point that you've brought up.

Jenny: For instance, if you are a retailer and you've only got one shop, what you should think about is doing mail order. So, if you are doing beautiful pottery or something, you need to get on the phone to the people who do gifts... all those things. And it can be often at Christmas, or well before Christmas, the journalists are out there looking for unusual, different gifts. If you can do mail order, then you can get national coverage. So, that's really one of the things you need to think about if you are just doing that.

So, Duncan, do you want me to... I don't want to go on too long.

DM: No, it's been brilliant. There's one other thing you'd mentioned which was how to become a public speaker — and by the way, Jenny and I are going to put together a template for you all.

Jenny: Yes, I've put that as part of it because developing an interesting talk, probably around your business or something that interests you... for instance, "Ten Steps To Business Success," and just start talking locally.

Some of you probably have very sophisticated backgrounds. What we do for a number of people is start talking at major conferences, practice on local business groups and all sorts of things and get Business Link — persuade them that you could possibly talk to them. But I mean, you are all running businesses, so you've got knowledge of how to do that. So you could maybe develop a talk around that.

The jeweler — you could maybe do romantic stories around jewelry, or to gradually get practice at doing that, because that is one of the greatest ways you can get some high profile. And also, every time you do that, you can do yourself a little press release and if it's local, put it in the local paper. Any of these things that you do, just zap a little release out.

A couple of weeks ago, we had three students doing work experience and shadowing us. We were involved in a charity. Plastic ducks that were thrown into a river, and we dressed one up as "PR Patsy," and we actually got on the business pages in the local paper. We just did a snapshot, and it was just because it was slightly off the wall... And the duck had cost us £250, and it was just...

It's not too difficult as long as you also find out what they need and what they want. Everybody exists within an area, and one of the things you need to do is find staff. So it's really helpful to raise your profile a bit locally.

DM: OK. I've got two other rules I think are important just for this particular group, because they may or may not have any experience at all. So I really want to start at the beginning, and that would be to get to know your local media personally. How did you do that? Did you just call up and say, "Can I take you to lunch?"

Jenny: You pick up the phone. First of all, read it and know what's going on there.

DM: And did you target an individual?

Jenny: Yes, you do. You find out who would be interested, and you call them up and invite them to lunch. Or just say, "We've got an event," or "Would you come and talk to us?" Or

you may be opening a new shop, or doing something and get them along to that. But just call them and say, "I am a local business and would you come and talk to me?" And ask them for help and get them to tell you what they need and what you can give them.

It may not work the first time around. You have to be very dogged. If they won't come, then get their sidekick. Just keep on going. Beg, plead — it doesn't matter. But they'll come eventually, and then you can just ask them what they need and talk to them about who you are and what you are.

But, one of the things to do is look at what they are writing about in the newspaper and say to them, "I read this, and actually I could probably give you some information on this." Or just say, "I've got an interesting angle, and my business did this, this and this." Give them reasons to talk to you. You can't just call up and say, "I'm a really interesting person, and you should have lunch with me." You just need to call up and think about what's good for them.

DM: You've got to have a plan.

Jenny: Yes. And then you'll do it. And don't give up — be dogged, keep on going.

DM: OK. So if you had three or four rules for getting started, what might those be?

Jenny: Well, the three or four rules are... First of all, think about what you want to look like as an organization. Most of you will have got that far. Set up your key messages, and then have a brainstorming session about what makes you good, bad and those various things... and then pick up the phone to your local journalist.

What you should also be doing is have a backgrounder on you as a company. It only needs to be two or three pages long — a biography of yourself and anybody else key, and a couple of photographs to go with it. So when you are seeing your journalist they've got that in front of them. (Usually you send it to them up front.)

And then just sit round and think about a press release that you might want to do. It may be that you've taken on new staff, so you can just say you've strengthened the team... or somebody has won an award... or it's your 20th anniversary... or you're helping with a particular charity, or... just all sorts of things. But do a press release as well, because that's quite a good thing you can do and it's not particularly time consuming or difficult.

DM: OK. I think we've introduced a lot of topics. Jenny, when I sit and listen to you, quite often I feel like I'm in the midst of a boardroom that's operating at a level that I can kind of understand and appreciate, but hoping to practice it myself is something that's definitely a little bit further down the road.

What you've done is introduced a great number of topics and concepts that are very powerful. They are not that complicated, and I think what I will ask you to do is work with me over the next couple of days, and we can develop a simple system of generating a press release.

Jenny: Yes. I mean, it's very simple; we have a template, a standard thing that you can do.

* * * *

Here's another idea.

What if, every day, you spoke to businesses or companies about stress aversion, stress control, and stress management? What people want are results. You'd talk about quality of living, more efficiency, sleeping all night, better family relationships, greater romance, enhanced concentration... Talk about the fact that if you're stressed out, you can't lose weight, gain weight, stop drinking, or stop smoking.

Tell them you have a very special proposition. Unlike most professionals who get paid whether it works or not, you're very willing to get paid only if it works. After the session, if it hasn't helped them, then tell them they don't have to pay for it. No one does that. Tell them your name is blasphemy in your profession, because you have no aversion to giving money back. That might be so provocative that the press might do an article on you.

Go to a PR agent and offer a little trade. "If you'll write an article about my program and money-back guarantee, I'll give you 10% of all the business that comes from that article for the next year. And, if your fee is normally \$1,000 or \$2,000, I'll give you that amount in stress counseling, either for yourself or for one of your clients."

Use the Holiday Season to Improve Your Business

It doesn't much matter what business or profession you're in. The holidays represent an incredible opportunity for you to strategically benefit. Whether you take advantage of the holiday season to boost sales or merely improve customer relations, this is a time of year full of business-building opportunities. Here are several ways you can make the holidays work for you.

Play Santa

First of all, if you are in retailing, obviously you want to tie into the holiday season. If you are in a good business with good margins and sales are not off, I would *not* discount, but I would give presents when people buy in greater quantities or greater quality. What better way to tie into the holiday spirit than to say, "We want to give you a gift."

I'm not talking fruitcake here. Try to give something more global to your customers, and they will get a payoff far beyond just a bottle of wine or a fruitcake. Give them a tape on mastering stress, on achieving more, on time management or personnel issues, on healthfulness or travel.

There are all kinds of things your customers will appreciate, and they cost very little. Purchased in quantities, they should be under ten dollars — and some can be under a few dollars. But the impact is that your customers will keep listening to the tapes over and over again — giving them a reason to think about you! And they'll refer other people to you because of the good feelings you've inspired.

Drawings Draw Customers

Second, no matter what kind of business you run, you can have drawings for various holiday gifts. People get to enter the drawing every time they transact business with you, even every time they refer business to you. Make the prizes fun, not expensive. And be sure to let everyone know who won. Maybe post a photo of the winner receiving his or her prize.

Forget Cards — Send a Holiday Letter

Third, I would send a holiday *letter* — not a holiday card — to my customers or clients. Make it heartfelt. Reveal a side of you and your family, your hopes and your dreams. Tell your

customers or clients your heartfelt wish for them. Communicate your gratitude and tell them you look forward to contributing to their well being, prosperity, security, happiness, or joy in the coming year.

Host a Party — a Big Party

Fourth, I would have an incredible blowout holiday party. If you are in retail, have it on an evening or a Saturday before the holidays. Make it wonderful. As long as it doesn't compromise the products or services you sell, have it on-site, with food and events and gifts for the children. If this does present a problem, simply have it off-site. Above all, make it an extraordinary experience.

If you're up to it, I would get in costume for the party. Looking like a Santa's helper would be wonderful — it really gets people's attention. Most of all, have fun. Make the event, the holiday, the time of the year a significant occasion. Rest assured, the more you capitalize on events and turn them into stellar, exhilarating, memorable, desirable, prized, unpredictable, and appealing experiences, the more people will come, patronize you, and tell others that they purchased from you.

Distinguish Yourself Through Charity

You want to take the opportunity during the holidays to distinguish yourself and really differentiate your business in a positive, noble manner. I would basically communicate with all your customers and ask them to help you do something charitable or meaningful to some segment of the community.

You could rally everybody together to give to the poor, to collect gifts or toys for the underprivileged. You could buy Christmas ornaments or holiday baskets and give them away. You could donate toys to the local children's hospital.

I think it's important to actually do something charitable around the holidays. Don't just offer to make a donation on behalf of your customers, the way some credit card companies do. Do something visible! Not to be crass, but from a PR standpoint, you can get a lot more mileage out of rallying and mobilizing your customers and vendors to do something really profound.

Frankly, you don't even have to spend much money doing it. Volunteering at a local soup kitchen or Christmas caroling at a nursing home can reap rewards for you, the recipients, and your business.

Find Your Purpose

Remember: The holidays are not just about making money. They're about giving back, about sharing, about goodwill. The more you can get into the spirit, the more meaningful your involvement in business will become.

Moreover, you want your customers to see that you're not just about making a buck or closing another sale. You want them to see that you are part of the community, just like them, and that you are having a good time making other people's lives better. Goodwill around the holidays reinforces the message that you are in business to make people better off.

Use the Time Wisely

One final thought: If you happen to be in a business that's slow during the holidays, use the down time strategically. Catch up on all the things you haven't done during the past 12 months. Get in touch with your best customers! Write a "reactivation" letter to anyone who hasn't done business with you in the past 12 months. Contact your vendors and propose a joint venture that's mutually beneficial. In sum, use the time to start orchestrating the business breakthroughs you're going to enjoy for the next 12 months — and beyond.

Using Public Relations

Public relations is a frequently overlooked and a valuable method to add to your customer, prospect, client or inquiry generation activities. Why? Because whether you are local, regional, or national, whether you are a consumer or whether you are business-to-business, or whether you are highly technical or professional, there are publications all over your marketplace.

There are organizations in-house — newsletters, etc. — and there is the media — radio, TV, special alternative communications — that are insatiably hungry for information and ideas they can share with their customers, members, employees, listeners, viewers or readers.

All you have to understand about PR to be extremely successful is one simple fact. That fact is this: It's all about them, it's not about you.

Any public relations activity you embark upon must be based on this simple fact. The marketplace you're trying to reach must gain an important benefit, an advantage — either information, education or entertainment — out of what you're trying to share with them, or it has no value to them.

Frankly speaking, nobody cares if you're celebrating your 50th anniversary. Nobody cares if you've just moved to new facilities. Nobody cares about most things that are important to you.

What they care about is what's important to them, what will help improve their life, what will expand their comfort, what will make them more enriched, more entertained, more fulfilled, more protected. What will give them some advantage in their business or day-to-day life?

Understand this: Public relations will work for you as long as you keep your focus, not on the organization or the entity or the medium you're trying to reach, but on the people they cater to and what will benefit those people's lives or businesses the most. Let me give you some specific examples of how various clients and companies I've worked with have used public relations extremely effectively.

A book publishing company I worked with uses the radio stations around the country to give their specialty cookbooks and coffee table books enormous free publicity. Coffee table books are fascinating, really colorful, beautiful books that are on travel or on very interesting activities.

They'll go on the shows; they'll talk about the uniqueness of their subjects. They'll go on a radio or television show and they'll talk about the book. They'll describe it and go into depth on why it was chosen, and they'll take you into that subject or activity and make it real or dimensional. And after they do the show, guess what? The bookstores are besieged by people wanting copies for their own homes and coffee tables.

I have a client who is in the furniture business. He sends articles every month to all the consumer publications about his more innovative design products. Particularly notable was a recent PR release he did about a chair. Its design was orthopedically different than any other chair on the market.

More importantly, not only was it functionally superior, it was a work of art. It was beautiful, because it was upholstered in one of the richest, rarest kinds of leather known in the world. Its price tag was also nose-bleedingly high and the combination of factors, when incorporated into an article, got picked up in ten major publications around the country. My client sold an extra \$100,000 at wholesale of those chairs from that one press release.

He does press releases each and every month. Over half of them have been picked up. He attributes over \$3 million in annual sales to this process. He has a part-time employee who does nothing but find the most interesting, fascinating, informative and intriguing aspects of his products and his furniture, and sends releases to all the consumer publications on a regular basis.

A bookkeeping service I advised did an incredible press release recently, where they talked about the changing climate for out-sourcing accounting services and how they helped people understand the advantages and the cost effectiveness. They are leaders in the field on a national basis. The article got picked up in 30 different business publications and, guess what? They gained over 100 new clients in the process.

A CPA I worked with, who also happens to be a tax attorney, started writing columns in trade magazines 30 years ago. Each and every month he writes a column, which is now picked up in over 90 separate trade and business publications around the world on the subject of what's called "secession planning."

This is a very specialized area of business accounting that is key to being able to transfer ownership of a privately owned business from the owner to either their children, their heirs or their employees with the lowest possible tax consequences. He's written these articles each and every month for nearly 30 years.

In the process of doing that, his firm went from a non-descript, unknown firm that was ranked about 12,000th in the entire country to the number 33 largest private accounting firm in America, all attributable to the fact that each and every month he has become a familiar and prominent expert solely through the press releases and articles he writes.

Using press releases offers you two distinctly different business advantages. Number one is the obvious one. For no real cost, for very little effort, you can get more exposure to more people in business or in specialized markets. The right press releases can produce for you

immediate and continuous flows of business or inquiries for whatever business or practice you operate for years to come.

The other benefit press releases offer is usually overlooked. It's credibility.

I've been very fortunate. I've been written about in business publications around the world. Here in the United States, I've been written about twice in *USA Today*'s money section. I've been written about in *Success* magazine, *Entrepreneur* magazine, *The New York Times*, *The Washington Post*, *The San Francisco Chronicle*, *The Los Angeles Times*, and articles have appeared about my clients in *Inc. Magazine* and a number of other very impressive publications. That's done a lot for me.

When those articles came out, I got direct business — and quite a substantial amount. However, the direct business I got from those articles was secondary to the amount of ongoing business I get when I send to prospects collections of various articles that have been written about me in the past.

You've got that opportunity, too. Any time a positive article appears about you, whether it's in a national publication, the newsletter that an association sends out to their members, a house publication that a big company sends to their employees — you should incorporate it into every sales package you ever send out. You should post it on the wall in your place of business.

And again, your goal in doing business or operating as a professional is to gain distinction, an edge, if you will — a superior advantage over your competition. If they don't have this press and this credibility and you do, what do you imagine it does to predispose your customer or client to doing business with you over your competition?

Public relations can do two wonderful and continual services for your business or practice. All you've got to do is remember this fact: People are primarily interested in things that benefit themselves. That's human nature. That's how we are. There's nothing wrong with it, and that's your biggest opportunity. Whenever you're creating a press release, always focus it and its content on benefits to the end user.

Let's summarize your options here. You can send a regular release to the formal press — and that can be newspapers, magazines, trade magazines, specialty publications, radio stations, television stations, public broadcasting. You can send press releases to trade organizations. That could mean associations, trade publications, magazines that are read by very specific industries.

You can send press releases to all kinds of civic or community organizations. That can be fraternal groups, ladies' auxiliaries, professional chapters.

Public relations also means extending yourself in the community. It means committing yourself to doing public services. It means engaging yourself on a deep level for charitable organizations. It means making your facilities or your resources available for noble purposes. It means getting involved in recreational or social or charitable activities.

I have a client, for example, who once raised \$1 million for a major charity. The exposure and the distinction and the goodwill he got were incredible.

A car dealer client of mine in Rochester, New York, home of Kodak, sent a press release to all the media basically saying that if anyone at Kodak gets fired, when they buy a car from him he will make the payments on that car until they get rehired, no matter how long it takes.

That article got picked up, not only in the press, but it got picked up on "The Today Show" and in seven other states. He got so much goodwill, everybody in this community loved him for it, and he sold 500 extra cars in the next six months.

The point is this: There are numerous traditional and non-traditional ways to get public relations benefits. You have to ask yourself, "How can I extend my business or my practice into my community, into an industry? How can I do greater service or benefit, or provide advantage or information or education in the press, through my actions, through my company, through my positioning, through my contacts?" The answers will open up broad opportunities.

And there's a bonus benefit. When you get involved in your community with charities and recreational activities and with the press, it feels so good because you get connected to the marketplace and to people. You touch people. You get feedback. You are respected and appreciated and revered at a very high level.

And that's very important because it gives greater purpose to what you're doing, not just for them but for you, and it's so much more deeply satisfying than sitting on the sidelines. It's the difference between playing a sport or pursuing a hobby and just being a spectator.

Think about the words for a moment: "Relating to the public — public relations." It's getting connected, getting involved, contributing, touching, meeting, helping, sharing. Look, it's

not just about putting on an attractive face to get more customers. It's about genuine interest and involvement in your community and in your industry so that everyone associated with you and your business or practice is proud of that association.

Public Relations Excerpts from One of My Seminars

We recently did a seminar with a whole section devoted to public relations. We explored some fascinating applications, methods, and strategies that can open up your world, business-wise. Here is only a part of that section:

Chet: Remember, one of the strategic objectives I put up there was “most popular”? Public relations is your way for the popularity.

And I mentioned that we were going to talk about how you throw a party... We do these trade shows, (and this is when I ran magazines) and the first time I ever threw a party at a trade show it was in Toronto. We went to the CN Tower — that needle building in Toronto — and they had a disco up there. It was a dance club.

I went to the dance club to find out how to throw a party. Now see, a lesser strategic person would have gone to the dance club and said, “To throw a party here, how much will you charge me per head for the people I want to bring?” A more strategic person asks, “What will you do to get me to bring 300 people here?” “Well, we’ll waive the door charge.” Right there, \$20 a head to go to this fancy club — “We’ll waive the door charge, and we’ll give you a certain price per person that they want to pay.”

So all I had to do, in order to throw a party that looked like we were just the coolest thing in the world... By the way, you always go to a club in the town or the city where you’re throwing this. And I would go to the club and I would say, “I’m going to bring 200 or 300 people who are really in the mood to party, who would drink like crazy here, and I’m going to pick up the bar tab. What will you do for me?”

They will typically negotiate a price per drink, and then they give me tickets. So I give the tickets to my clients, and they use the tickets to get the drinks, and the drinks are free. And at the end of the night they count up all the tickets, and I pay \$3 a ticket, or \$4 a ticket, or \$5 a ticket — whatever the negotiated fee is. So you bring 200 people, the average guy is two or three drinks

— it was \$2,000 to throw a party, and it looked like we spent \$20,000. It was awesome. We dominate the club when we go in...

So I did these in every city in America and abroad, and my clients — well, the first time we threw one (this is really key) I deployed my salespeople, and I gave them each the invitation. They looked really cool, and we used graphics, and they looked like a fun, sexy thing. And we'd try to have themes to sell them — a Hawaiian theme, or whatever the case may be.

And then we'd bring little things that made it look like a Hawaiian theme. And we gave these out, and we'd walk up to the first person and we'd go, "How'd you like to go to the best party at this trade show? I've only got a few of these left, but everybody here is going to be there." "Oh, great! Great! Where is it?" "Well, we rented the whole top of the needle, blah, blah blah..."

We didn't rent anything, right? And we've got that whole club up there. They've set up a special bar for us. They did that for nothing, right?

And so I give this invitation to Eileen. So she starts talking to a person in her booth, and goes, "Yeah, I got an invitation to the hottest party." Now if I walked away from her and dropped dead of a heart attack, she'd be the only person showing up at that party.

But what happened is, in this case I had five of the best salespeople you've ever met in your life. They went out, and every one of them said, "How'd you like to go to the hottest party at this event?"

And so within four hours, the buzz was all over the trade show floor, and that night it was like a huge line of people trying to get into the party. And the first one I threw, one of the companies there — Kodak — had some TV stars there from "L.A. Law" (because this was for the legal market). So I had these TV stars there from "L.A. Law," which was the hottest show in America at that time, and I had the hottest party. So where do you think they want to go?

And of course, they want to know who's the host of the party, which was me. So I'm sitting at a table with television stars... And this was like, I just took over this magazine, and it was like — Boom! The next day I was the most popular guy in the whole thing. So remember I said, strategic objective — most popular.

So put on public relations. Probably better than half of you here could throw some kind of a charity event that would dramatically elevate your status among your potential buyers. For every town where you have an office, you put on a big charity event.

You charge \$100 a head for the charity... it costs you \$50 to get them there. You keep that money, and you give the other \$50 to charity. It's done every day by companies all across America. They don't put up the money to put on those events.

But you know what the key is to making one of those events successful? It'd better be fun. It's got to be sexy. It's got to be exciting. Make it something people really want to go to. Make it fun. And so that's why we did dance clubs — music blasting, people dancing, people drinking, five of the best salespeople you've ever seen in your life making sure nobody's bored, bonding like crazy, getting drunk with clients, and selling the heck out of our magazine. It was awesome, an awesome experience.

So create media events and press opportunities. Look for anything you can put on that's going to elevate your status among your Dream 100. If you go to trade shows — I just gave you the way to do it. You throw the hottest party at a trade show. Just pick up the bar tab.

You negotiate with a cool club that nobody can get into so that you can say it's the coolest club in the city, and every city in America I've done this at — Limelight in New York... I can't remember the names of half these places anymore, but it was *The Place* to go to. It was the one thing everybody wanted to go to, and you'd stand in line for an hour... our guys went right to the head of the line.

That was the other thing. You want to negotiate with the guy, saying, "None of my people wait in line." He says, "No, of course not!" So they come up with their invitation, and they can go right in.

Just to warn you — when you give people the tickets say, "Listen, I paid for these, so don't start handing them out to every pretty girl you see at the place." Because you know, "Coupons! Here, free! Want some?"

They start giving them away to other people, and the next thing you know I'm picking up the bar tab for the whole dance club! So we learned early on to tell our clients, "Look, we paid for

these, so don't just go giving them out. I'm happy to give you all you want, but don't go giving them all away."

Awards ceremonies, sporting events, outings, parties, charity efforts... salespeople need to involve the clients in these. So if you have salespeople, this is their greatest opportunity for a superior access vehicle. See how all this starts to work together? This is your superior access vehicle.

This gives you the excuse to call the mayor... to call the heads of the Chamber of Commerce... to call the CEOs of the largest companies. "Hi, we're with such-and-such. We're putting on a massive charity ball for the Make-A-Wish Foundation... for American Cancer Society. If you already are a charitable organization, you're putting on a charity event for your own self, for the Institute of whatever you're calling it.

So it's a terrific way to get huge exposure, and then you send press releases to the newspapers, and to the TV, and if you can find some angle they'll come down and cover it. Especially if it's a slow night, they'll send cameras down, and there you'll be on camera being interviewed in your town or city, or whatever, because you put on this big event.

So think about that one. How can you do that? As credibility and bonding opportunities, they're enormous. At those kinds of events, it's just a tremendous opportunity.

So Neil, you go to trade shows?

Neil: Yes.

Chet: So this is applicable for you, right? Get all those opticians. You want to be the most popular? You want those guys running up to you at every trade show, going, "Where's the party at this time, Neil?" Because you throw the best parties. You want them coming to you.

You could definitely put on some kind of a charity event, and get the clients that you have now, all those players, involved. Man, you can have a helluva event. See what they want to donate. See what they want to give to the charity to make the event... because then you get people to donate the things that are raffled off.

You know, who's been to charity events? You know what I'm talking about. I go to one for my kids' school every year, and they give away trips to Europe that they got people to donate. They give away two weeks' stay at a house in Hawaii that somebody else donated.

Because once it's a charity, you can get people to donate all kinds of things. And now you've got a really sexy event that people want to come to. It's got to have things people want to come to. You should throw some kind of big annual shindig that you get known for that donates money to some cause, heart disease. It's right up your alley. It's perfect.

And again, that's when you invite the mayor. You invite the congressman, if he lives in your district. You invite... you know what I'm saying? That's where you get this high visibility exposure you never would have otherwise gotten.

And again, if you're industry-specific and you want to hone that market, put on a big charity event. Get the doctors to come. Get the hospital administrators to come. But make it something they want to go to. Something they can't buy for \$100, even though it only costs you \$38 to put it on.

You can go to a restaurant and say, "We're putting on a charity event. Will you give us your food at cost? The mayor is going to be here, would you do that? Would you let us throw a big charity event if I was going to bring the CEOs of the biggest companies in the area? If I was going to bring the hospital administrators, all the big — you understand? Yes, Jim?

Jim: I designed a CEO Breakfast having the Chamber of Commerce host it, and went to the Marriott for the breakfast, and the Marriott gave us the full breakfast just for the opportunity to have all the CEOs in town come to their facility. And I let the Marriott General Manager do the introduction and give a little feature benefit presentation of the facility.

Chet: So how many people would like to do that and have it cost you nothing? OK, so that's the point. If you're thinking... you don't have to spend money. You've just got to think, "What are the smarter, better ways for you to do this, and how much can you optimize?" Core Jay concept. Write articles, be featured or contribute as an expert... I mean, these sound obvious, but boy, the mileage you can get from one great article can be amazing.

Jay: Chet?

Chet: Yes.

Jay: Realize this: You don't have to write it yourself to have it bylined by you. You can go out and get all kinds of college master PhD students to do it for you. You can go out and get any kind of a person to write...

Chet: Find 'em right on the Web.

Jay: You go on the Web and put a category in, and you can probably find 5,000 people who will write it either for you as a ghost, or who will share a byline with you and give you status. So just use your creativity.

Chet: OK. So you start to see how if you're really thinking and you're working on your business, and you're adding all these elements, it could have a huge, huge impact on the ultimate result that you're going to get. Reprinted articles are powerful tools.

It's funny, because somebody asked me last night, "Well, how did you and Jay meet?" And I said, "Well, actually, Jay was the hardest prospect I ever went after." It took me three months to get an appointment with Tony Robbins. It took me three months to get an appointment with the CEO of Dean Whitter. It took me one, two phone calls to get the CEO/Chairman of Wells Fargo Bank. It took me *two years* to get a meeting with Jay.

Another person — I forget who I was talking to (forgive me, because I talk to so many people) said, "Well how often was that?" And I said, "It was about every week. Once a week, twice a week, and when I had time, three or four times a week." I was in his face... on his case... in his face, every single way.

And then *Success Magazine* did a story on me. How many people have seen that? It says, "Karate Master Chet Holmes Breaks Sales Records Wherever He Goes." And it has me in a suit throwing a kick, like a six-foot-high kick. Sent that to him, and that finally got me the meeting, which has been worth millions and millions of dollars.

Jay: A point — half of the PR you get may or may not produce an instant effect from the media itself.

Chet: I didn't get a single call from that stupid article.

Jay: I was listed as one of the five top executive business coaches in the country from *Forbes*. I was listed under a category saying who was the real thing. I was the only one of all five of them who was listed as being able to turn an under-performing corporation into a sales and marketing wiz — and nobody called.

But if you send a copy of that article to somebody, it is exceedingly credible. If you send an article that was on the front page of *Investor Business Daily* saying “I know how to get maximum results for minimum efforts,” it’s very credible. So you have a dual use. You have the cumulative...

Chet: Way more than dual. I’m going to actually lay like ten different ways to use that. But that’s a great example. That article got me my first meeting with Jay. It gave me enough social proof that he was like, “OK, well let’s take a look at this guy who’s been in my face for two years. We know he’s got fortitude.” And...

Participant: Are you sorry you waited two years?

Chet: Are you sorry you waited two years? I’ve been making him money ever since, you know.

Jay: No, we’ve had an interesting relationship, but I’m sorrowful that I didn’t use his technology better to help propel... We basically started out just selling his stuff without realizing that it represented an interesting connective mode to help drive people to greater performance.

Participant 10: Chet, if you can get written up in an article, even in a small publication, how do you make sure that it’s said that you’re an expert in the field. Isn’t there a way?

Chet: Yeah, actually, that’s a good question. That’s really drilling down, and that’s important here. It’s not that difficult.

She asked how you get written up in an article, and you just have to have a story — and by the way, your research that you so wisely realized that you have to do... That’ll give you stories.

When you've got a thing that says, "The Five Most Dangerous Trends..." Within that there's all kinds of potential for articles. And then you go after the trade journals, and you just say, "Hey, you know, I have a story..."

I've been featured in 55 different publications, half of them as the writer of the article, and the other half them writing about me. But the writer of the article was actually pretty easy. You just go after the editor if you have a good story angle, say, "Hi, I'm a writer, and I'm also an expert in this particular area.

And I have something that I'd like to do a story query." And the editor said, "Great, here's my procedure for story query." And they give you their procedure. "E-mail me at this address. Let me know — it has to be this. They want it double-spaced. They want it lined. They want a paragraph. They want a leader. They want a... you know.

And so if you want to be the writer of the article, that's actually easier than getting featured. Being featured, again, you've got to have a great hook. And you should have somebody else call. It's a lot easier.

I had (this is terrible, I must say) I had my secretary call a newspaper when I got the Warner Brothers deal and just say, "You know, my boss got this..." And she didn't want to do it, and she was all uncomfortable with it. But I didn't want to hire a public relations person for that.

But I got a two-page feature story in *The San Francisco Chronicle*. Killer! It was great pictures of me at my baby grand piano at home, and you know... "Hollywood dream come true" or something, and it's a two-page, elaborate article about my movie deal. And they interviewed Warner Brothers. And I got that by having my secretary call. So it's better if you're not the one calling, if you're the one who wants to get featured.

But even so, I heard a statistic that 85% of all news is placed. All the news that we see is placed by someone like you who called up and said, "Hey, I have a great idea." Or some PR person saying, "Hey, I have a great idea." 85%. Only 15% is some sharp reporter going, "Let me look for a story." The other 85% is "Let me pick a story." So you want to be one of those ones that they get to pick. That's a very good question. I'm glad you asked that. Yes, Tony?

Tony: I love this topic of PR. I've had a great, great history of success with that in my landscape company. I've had just over 100 articles written about me in the local press.

Chet: You've got me and Jay beat.

Tony: But that was really from volunteer work in the community. I went to work with a local organization called "A Clean Community Commission." And that kind of matches with the background. And I still help them write grants, and get state and federal money to plant trees, and things like this. So it was really fun stuff.

But then when I got the opportunity to work on Super Lawn Trucks it was because of PR. I was about to be featured in one of the national trade journals, and I knew that this truck system I had was really unique, and I had this patent application in and all this stuff. So I just knew it was the time to take advantage of the opportunity.

At an association seminar, I had made comments that an editor of the magazine really liked. And he came up to me afterwards, and said, "Hey, you obviously know what you're talking about. I'd like to come down to Georgia and do a feature story on you."

Chet: What's the best way to get PR for a company?

Richard: It's not one way.

Chet: OK. Name some ways.

Jay: OK, why PR — let's try that. Why should somebody really have a PR...?

Richard: Well, I think Chet made a great point. You can get all the publicity you want — and Jay did too. If you rely on that publicity to drive your business, you'd better be really good at creating what we call "running stories."

A one-time story is like a blip on the screen. Nobody sees it. The public's memory is really short. You can have a headline story on a front page, and the effect of it on your business will last about ten seconds. If it's a running story, you can get great benefit.

You can also get the opposite of great benefit. If your name's in the paper all the time and it's connected to something that's not beneficial to your business, the public will remember that a lot more than they're going to remember the good things.

It's also harder to keep a good story in front of the public, because the reporter doesn't want to report a good story. He wants to report a scandal. He wants to find out what's wrong, not what's right. Good news doesn't sell papers. Bad news sells papers.

The financial press waited and waited and waited and waited for that Internet bubble to burst, and boy, those reporters are having a great time reporting on how everybody failed. Why? They don't make any money. They work deep in the bowels of a publication.

Even at the largest publication it's not — it's a great place to work if you love to write, if that's your career and that's your profession. It's not such a great environment necessarily, to work in. They don't make a lot of money, except — I mean, you see Dan Rather on TV.

He's worth \$5 million a year, but for every Dan Rather there's 8,000 local news reporters and stringers who make \$30,000, \$40,000, maybe \$50,000 a year, and they get their psychic benefit out of finding out what's wrong, not what's right. Their careers are made on their ability to investigate and uncover, not on their ability to aggrandize and create benefit for you.

Jay: So what's the implication?

Richard: The implication really is that if you were going to go design a PR campaign, first of all, it's not a short-term effort. It's a long-term effort. You want to position yourself every time somebody asks you a question in the press to have the same answer. You'll get bored with what you're telling the media a long time before the media will get bored. You can repeat the same thing over and over again for years.

Jay's done it, in many respects. "The Three Ways To Grow a Business" — every interview he's ever done: "The Three Ways To Grow a Business." He's been doing it for 20 years. He's been interviewed dozens of times in hundreds of places. "The Three Ways To Grow a Business."

It's the same as your USP — don't change it because you're tired of it. It's the same as the headlines on your ads. Don't change them because you're tired of them. I've had clients; Jay's had clients who have left so much money on the table because they got tired of their message long before the public did.

So you have to kind of take a step back from your business. You can take all of the things that Chet was talking about.

I was also in PR at J. Walter Thompson, and one of my colleagues had a poster on the wall, “How To Get Publicity.” And there were 25 items: hold a parade; sponsor a charity event; get an article in the paper... and it went on and on.

But those are just kind of bullets. You’ve got to put substance behind them. What *kind* of an event, as Chet was talking about. What *kind* of article do you want to have written? How can you help the reporter develop the article? It’s not going to be all about you. If it is, the perceived value of it isn’t even as great as you — we had so many clients say, “Well, how come they interviewed my competitor?”

And in fact, sometimes a competitor’s name’s higher in the article than yours. Well, you can’t do anything about that on the one hand. But also, because your competitor has been quoted, it gives what’s said in that article a lot of credibility. And if your competitor gets a little benefit from it — well, so what?

Jay: But let’s talk about a press release, or about the dynamic of getting through the clutter and getting the attention of either an editor who will pass it to a writer, or a writer...

Richard: OK, there’s a difference here — and it’s not subtle — between writing a letter to an editor to get an idea pitched and get a story done, and writing a direct mail piece.

The one thing they have in common is the headline. Guy sitting there, he’s the gatekeeper, the editor — the articles editor... the business editor... the food editor... the editor responsible for charity — whatever story in the paper. You think you’ve got the greatest idea in the world, and you write this elaborate four-page, six-page, eight-page explanatory document about what’s going on, what you’re doing.

Think about that editor sitting here — you know, there’s a few papers on this. You ever see the desk of a reporter at a newspaper? A pile this high, they’ve got another pile over here... I mean, I’ll never forget seeing pictures of Morley Safer’s office at CBS 60 Minutes. He didn’t have a place in his office where you could sit down, because there were piles everywhere — papers, videotapes, requests for...

So, you've got to get their attention, and you've got to get it in the headline. Sometimes the headline's above, as it would be in the sales letter. Sometimes the headline is really better if it's the first paragraph of the letter, because a reporter will look at a headline differently. If it's in the form of a news release, they want to see the headline above the caption.

And there are formalized ways to create a news release, and you should learn how. You should have a standard way that your news releases reach the editors in your town, in your market, every single time the same so that they know "This is from him."

And you'll develop, if you do it well, and you do it consistently, and you don't waste their time with meaningless news releases — think before you send it. It doesn't matter if it's news to you. You've got to think of what's news to the public.

So, OK, you've got a headline or you've got a paragraph that's a grabber. I'll never forget, we had a... (this is 25 years ago) ... in New York City, there was an office building developer. And there were a lot of office building developers — there were hundreds of them. They were building big buildings, small buildings, but it didn't matter. There was this much space in *The New York Times* every Sunday for real estate — two columns, an eighth of a page. How in the world are you going to get your message into that space?

Well, this guy had an interesting idea that he was going to make his buildings interact with the city. So the front entrance to one building was kind of a tunnel with lights, and on another building he put an airplane on the roof so that it would give the city some kind of an ambiance for air traffic going by. And he'd do interesting things in the lobby.

Well, he wasn't the only one who did this. We got a great break when the building code people in the city said, "Take out your tunnel." And we sent a news release to *The New York Times* and to other media that said, "If they make Mel Kaufman move his tunnel, New York City may die." Oh, really? Boy, they read the next paragraph.

But now let me tell you something about that letter, and about that particular story idea. It fit on one sheet of monarch paper. It wasn't a three-page press release describing who Mel Kaufman was. It didn't talk about the other aspects of his building, and how it was 62 stories high, and it had these major tenants, and this was how much the rent was, and it barely even gave the street address.

It just gave an idea. Why was New York going to die because they were going to make him move this tunnel? Well, he wanted to interact with the public walking by on the street. If the people in the city stopped interacting with each other, what's going to happen to the city? Boy, they picked it up like that.

I had another one in San Francisco. This is good! Now I'm getting into this! You guys can take a break. I had a client called Fiber Board Corporation. They were then sold to Louisiana Pacific. Big company, made — what do you think? There you go.

The biggest issue as far as their shareholders and Wall Street was concerned in valuing that company as a public stock was that they didn't own very much of their own timberland, and they were very much reliant on contracts from the government — cutting contracts where they could cut trees.

It was all environmentally sound. It wasn't an idea that there was going to be raping of the land in the forest. It's forest management. But they were very much dependant on the contracts that they had, which meant that their resource was temporary. Georgia owned all their land, so they were valued differently by Wall Street.

Well, I get a call one day from the inside PR guy at Fiber Board. And I'm at Rudder and Finn. I was running their office in San Francisco. And he says, "We've got bad news, and we've got to put out a release to the financial press, because it's about our timberland."

And he said, "What happened is we have a contract to cut in the Stanislaus National Forest. (It's up near Yosemite) and we've had a big fire. (And I don't remember the number of acres, but it was in the hundreds.) Wildfire swept through our land, and we have to report that this timber has now been lost."

But he said, "The good news is the fire moved so fast through our timberland that even though it's going to take years to regenerate on that site, all it did was kill the trees, but it didn't burn the wood. It burned the bark and killed the trees." I said, "Aha! What do we have here? We have, not a negative, but a positive if you tell the story right."

Chet: You did the same thing with Kaufman. That was brilliant.

Richard: “Fiber Board has lost their trees. But wait — they didn’t lose the wood.” I called Associated Press and CBS News, and I told them this story in the same way. I said — I don’t remember the headline or the one paragraph pitch at the time, but the essence of it was, “Major Forest Products Company Salvages Trees from a Forest Fire.”

The fire was still smoldering up in the Stanislaus National Forest. I said, “Here’s what we’ll do” to the inside PR guy. “Hire a helicopter. Let’s take only two reporters, one print and one TV, and let’s take them to the Stanislaus where the fire’s still burning, land, let them take the camera and their photographer — the still camera photographer — show the trees being cut down, let them see the inside of the trees not scarred and still usable.”

The next day, the front page of *The New York Times* Business Section carried that story with a three-column picture. Associated Press ran the story in 300 or 400 newspapers around the country. We were on the CBS Evening News, the CBS Morning News, the CBS Noon News, and the CBS next-night news. You know why? Because it was a forest fire. It was a great visual.

So it’s amazing what you can do. But you’ve got to think.

Jay: So Richard, give us a template if you can, presuming that the vast majority of these people probably will not use an agency.

Richard: Yeah, I should be the one. I mean, I was in a PR agency for five or ten years, and I should be espousing the value of a PR agency. But you really can’t — if you have a long-term strategy and you’ve got the money and it’s complementary to your whole marketing program and you have a really good relationship... The biggest problem a small company has when they hire a PR agency is they get the guy at the bottom of the totem pole at the PR agency as their account executive.

Jay: What would you recommend, then?

Chet: There are tons of little ones who will work for dirt.

Richard: There are tons of little ones that will work for dirt. Unfortunately, they usually aren’t...

Chet: That great.

Richard: They aren't very good.

Jay: So give them a strategy. We're trying to optimize. What's an optimizing strategy?

Richard: How do I get you all to think in terms of headlines? I haven't really thought this through, but I'd say — in a second. One thing you want to do — start to read the headlines in the newspaper, but read them for headlines, and read them for the way that you can see how you could write a headline.

Jay: That's a great idea. And then basically, take them out, put them on a piece of paper and write 10 or 20 variations that might apply to your business.

Richard: That's really good. Take the first paragraph — it's called the lead paragraph in the story. This isn't like the sales letter you write, where everybody reads the P.S. People don't get to the end. You read the newspaper — how many times do you get to the end of the article? It's not written that way. It's not, "But wait — there's more!" It's "Here's the story — read it." You get it in the first paragraph.

Start to read the first paragraph. If it's the business page you want to attack — great. If it's the food column you want to attack, the restaurant critic... What's the restaurant critic writing about? Look at your trade publications. Not just what they're writing about, but what does it say in the first paragraph? What are the headlines?

A great way to get press is to identify trends.

Chet: And your research will do that for you. You'll find trends and information...

Jay: Or implications, or correlations...

Richard: It's never been easier to do research because of the Internet. I can tell you one way is the public library. You know, these librarians are sitting there. They've got nothing to do. They're stamping the books...

Jay: They love helping you. They're wild.

Chet: They are. They're amazing.

Richard: Go to the public library. Think about a trend in your business that you kind of have an idea... and you all think about this. Every single one of you should think about this.

Chet: That's a great idea.

Richard: Go to the public library. Ask for the librarian to help. Failing that, you've all got a college or university in your town. They've all got a business curriculum. If it's business that's the subject... if it's chemistry... if it's physics... I don't know what. Make a contact with a professor. Get the professor to do a survey of some subject that's in your industry. Let him use his graduate students, or the students in his class.

Chet: That's a great idea.

Richard: "Union College, in a survey sponsored by Joe's Garage, just found out that in our town car repairs are up 32%. And the biggest thing breaking is the left-handed feeble switch." I don't know. But you can do that.

Jay: That's great.

Richard: And it's really easy, and there are people out there who have a lot of knowledge. We used to write special reports all the time. I was in the antique business, and I didn't have time to do it. But there are journalists out there — you know, these people who work for your local weekly newspaper. If you read the local weekly newspaper — now you've got me going, see.

You get people who work for the local weekly newspaper, and identify the ones who write coherently — and there'll be one. And invariably, in my experience, it's a 23-year-old young woman — and I don't mean that as a sexist comment, but it's a fact. They write really well — who's got her first job out of college, who's creating a resume.

Jay: She's very passionate.

Richard: And absolutely wants to interview you, wants to write, and writes well. But you know what? They're paying her...

Chet: \$300.

Richard: \$250 a week.

Chet: Yeah.

Richard: And if you get to know her, you go to her, and you say, "Look, I need for you to write these press releases for me." Or "I need you to write my press kit, and I'll pay you \$500, or \$1000." Well boy, now she can go from eight roommates down to six! You know, she can go from the pizza parlor out, actually, to the Steak & Ale one time next week. And she can become for you a great professional ally.

Again, back to the college professors. These guys know a lot. They don't get paid a lot. You don't have to get Peter Drucker, or...

Jay: Richard, what are a couple — I want to move on, because you've got all this knowledge in your mind.

Richard: I do.

Jay: Give us... what's a powerful sleeper they wouldn't think about that's an incredibly universal, positive and just really impactful PR activity, other than the logical ones. The sleepers, the overlooked one or ones.

Richard: Chet hit it on the head. The most single, powerful use of PR is after the fact. It's the reprint.

Chet: He's right.

Richard: You get your name in the paper; you take the reprint.

Chet: I'll say something else.

Richard: If you've got — there's a long article, you've generated it, it's 35 paragraphs long and you were only quoted in three paragraphs, cut and paste it.

Chet: Keep the headline, and...

Richard: Keep the headline, and keep what you said in quotes...

Chet: I like that.

Richard: You know, you don't really have to go back to the newspaper and get permission. I mean, no one's ever going to come chase you unless you're using their name in some negative way. If it's taken out of context and you didn't reprint the whole article without permission. And actually, some of the smaller papers will reprint them for you, and they'll do it because they've got — they're really printing companies.

Jay: Yeah.

Richard: The local newspaper prints all kinds of crap. It prints catalogues, and also prints their paper. And so they'll charge you \$100 for 1500 reprints. Well, go ahead and use it, but that reprint lasts forever. You can tell — your company story gets told once, I mean, you're in the — who's the restaurant guy? How many reprints are hanging in your restaurant? Lots, but you don't have to be a restaurant. You can be a manufacturer. Every time you send out literature, then reconfigure your reprints.

Jay: Good point.

Richard: You've got ten reprints, so do this on a sheet of paper, and make a collage of all your reprints, and that'll have the same impression. Jay does it. I'm sure Chet does it.

If you start to get some TV — Wow! Video clip here... video clip there... video clip here... Hmm — maybe you've got the local TV reporter who you can hire on the side to moderate your video clip reprint, which is now — it's got so much credibility because you didn't produce it as a TV spot, or as an ad. You just compiled it, and you've got him to bring continuity to it as the reporter standing in front of the mike. The reprint is the value of PR, it's not the PR itself in almost every case.

Now you can do some event PR where you can get that running story. If you're tied to a music concert, and maybe there's charities involved in the middle of it, and the concert's a month away, you plan your PR properly and you'll have your name in the paper every day.

You make a deal with a local radio station and give them some tickets to the event, and they'll be plugging it all the time. Go back to every public affairs editor and every public affairs director at every media in your town. And they're always looking for reasons to put your name, if it's attached to an event. And I could go on and on, but this is a PR seminar.

Jay: Anybody want to ask Richard a question as the last stage? I know it was spontaneous, but you want to ask a question? Anybody got a PR question? Go to the mike.

Participant: What do you feel is the value — or if there is any value — to creating an infomercial interview, and if you can't get interviewed by any public or cable TV stations?

Richard: Well, first of all, you can get interviewed. And second of all, I think you're in a whole different arena when you start talking about infomercials.

Participant: Oh, I'll give you another great use. A celebrity — having a celebrity that we talked about yesterday...

Richard: Well, that's really a different story. That's an infomercial. That's an advertising medium. We could go into that...

Jay: And Richard understands that, but...

Richard: But we don't want to go into that. I can tell you another great use of PR. And it's a quick one.

About 10 or 12 years ago, the way I met Jay. We had a mutual client when I was doing the public relations for a company, a business called "The Professional Coin Grading Service." It's about rare coins, and how they're encapsulated and reviewed so that there's uniformity in the quality, and then you can establish credibility in the price.

And their challenge was not so much to get publicity to the outside market, but to get credibility to the inside market. They were developing a membership organization of coin dealers around the country.

So we went out and we got a couple of articles written about the coming new standardization in the rare coin business. The articles were somewhat read within the industry, but

at the National Convention, a big coin show actually down here in Long Beach, I got up like I got up here and I had all of the reprints and all of our publicity, planned activities for this new, fledgling organization. I just had a room of prospects.

These people hadn't even signed up yet. And when they saw the guy in the tie — coin dealers are kind of sloppy guys, their stomachs are hanging over the edge of the desk, and they're like this, and... boy, it gave great credibility to this organization when they could see that there was going to be a national push.

So you can use what you're going to do in PR — back to your own trade, back to your own clients — to get them excited and interested in ongoing support of your business.

Jay: Paul, you have the ability to acquire all kinds of goods and services on trade, too, so you have an incredibly negotiable commodity with restaurant credits.

Paul: Oh, yeah. All the time. I want a headline. The September issue of *Playboy* Magazine produced an article, "The Twelve Top Steakhouses in the United States." Gaucho was included in the top headlines.

Chet: Congratulations.

Paul: And I was thinking there's a lot of mileage to get out of this PR, but I'm trying to figure out a headline that would work that's sexy enough to get us publicity in the newspaper.

Richard: Well, I'm not sure if I understand your — what do you have?

Paul: Well, if we wanted to put out a press release, right, that would...

Richard: You're in Seattle.

Paul: Yeah, we're in Seattle, and —

Richard: How did you get your name in the article?

Paul: I'm not sure. John Moriarty is the writer, and he had picked us in 1997 as one of the top 20 new restaurants in the United States. And it's either he was doing an article on steak

houses and remembered us, or he had come back through town and eaten in the restaurant. But somehow we ended up in the article.

Richard: But in what context?

Paul: He was doing an article of steak houses in the United States, and why people go to steak houses, and men, and this type of thing. And then he went through and he picked 12 steak houses and did a small article on each of the 12 steak houses in the United States.

Richard: OK.

Paul: And to me it was a positioning — another positioning place we wanted to be, which was in a top 12 or top 10 in the United States. And I want to get it published in a newspaper in one of the gossip columns, or something like that. And I'd like him to come up with something that would get their interest...

Chet: Press release material...

Paul: Yeah, press release.

Richard: Yeah, just send out a press release

Jay: The article, the fact itself is pretty remarkable, isn't it?

Chet: Yeah, "Playboy chooses local restaurant..."

Jay: And it's one of the top ten in the country.

Chet: That's like, that's killer.

Richard: Well, you know, on an ongoing basis, the first job I ever had in PR I was what they call a "plant." And this is when — I hate to tell you — Walter Winchell still had a column...

Jay: Richard, you're being so gracious, but we've got to move on. But it's great. We're going to stop, but congratulations to you, and thank you, Richard, for spontaneously...

Chet: Yes!

Richard: My pleasure.

Let's look at more examples of clients of mine who have "spun" the press to their advantage:

Consultant

I read a book on how to do press releases. My goal was to generate three press releases every week. The editors got tired of seeing my releases, so they offered to give me a column. Result: Two to three new consulting clients every week.

The secret to getting published: Give people information they want to know about. Article Ideas: "How To Handle Employees That Tick You Off"; "How To Not Work In Your Business: How To Work On It"; "How To Win A Law Suit."

Tactical Systems/Weapons

I used a letter to the editor of a handgun magazine. I complimented the editors on the quality of the magazine and the reviews, but said, "I'm sure you are tired of shooting those same old B-27 silhouette targets.

If you'll keep writing good articles, here are 25 of my three unique copyrighted targets for free. You can use them however you would like." Result: Generated a phone call from the editor and created free mention multiple times in the magazine.

Luxury Rental Property

These properties were beautiful, and the property resembled a famous painting. This famous painting's 100th anniversary coincided with the grand opening of the properties. The people of the local town recreated the painting in full costume, then released press around the world.

And because of the fame of the original painting, calls were received from all around the world (China, Germany, Hawaii, etc.). As part of the event, they created an art fair with over 400 artists. They converted an old home into a gallery and got the whole town involved. This created a lot of fast traffic, and the entire property was leased out in a very short time. Lesson: Engage your market into your activity.

Real Estate

A cable TV station was amazed at a real estate agent's billboard, listing the current number of houses sold. They wanted to do a story. The story generated about 200 calls, and about \$200,000 in profits for the real estate office. Lesson: A billboard for \$600/month gets seen by many.

International Fund Advisor

They built their own database of hedge funds and notified *Business Week*. It became a cover story, and subsequently other publications picked it up. Lesson: If you are doing something worthwhile, let everyone know about it.

Educator

This woman was speaking to a teacher's association on "Why School Sucks" (with many rave remarks from the audience). It was a bold topic and led to national TV appearances. Lesson: Do your higher purpose. Don't be shy.

Hotel Business

Every time we promote to 100 media sources, we get publicity and exposure on TV shows, leading to 20 to 100 calls. Lesson: Follow up and get your press releases out.

Marketing Firm:

A marketing firm used the following press release, "For anyone who gets an IRS audit, we will give you a kosher chicken." Lesson: Human interest can generate a lot of press.

Jay's Secretary

"My boss would kill me if he knew I was writing this letter, but I've got to tell the truth." This promotional letter was on how frustrated Jay was (from his secretary's point of view) and told all about his attributes and the great information that Jay had. Result: I was published in four articles.

Health Care Industry

Our organization offered a local hospital a free assessment of their major departments on how to improve their facility. We get the data from them and use it in our seminars. We ask "Who scored high?" then go back to see what they were doing. Our data got our foot in the door with the Joint Commission Health Care Organization (JCHCO). Good data/information will get you in the door like greased lightening.

Note: If you conduct an annual or quarterly industry survey, you will gain distinction in your industry.

Life Insurance

We publish articles on “How To Do What We Do.” People call us because we’ve taken the time to educate them on our practices, time they don’t have themselves.

Financial Consultants

Whenever you do a seminar, shake people’s hands. That’s good PR.

PR Firm

PR is more than just getting publicity. It’s about creating relationships. If you have good public relationships, you have a much better chance of averting public problems. Sometimes, it’s to your benefit to not be in the media.

Ice Cream Business

Disasters are a wonderful opportunity to get your story out. We had a freezer malfunction, and our ice cream became unsellable as our premium product, but still usable. We donated it to a soup kitchen and the media was there.

Real Estate

We send press releases about everything. When we attend a training class, we will send a press release because it helps benefit readers by establishing expertise.

Computer Software

We announced a new product with press releases, and we sold \$80,000 in software without ads. We wrote to *The Wall Street Journal* and gave away 80,000 pieces of software. We made our money on shipping, handling and upgrades.

Dry Cleaners

We were interviewed on a TV show on “How To Take Care of Your Clothes” and “How To Look Good.” That led to a radio talk show with lots of listener interest and then to a regular series of articles in a local paper.

Internet Newspaper Column

A simple personal conversation with the editor led to an article.

Consultant to the Money Management Industry

He made himself available as a resource to the publications of his industry. He gets calls from about a dozen publications for his expertise. He has been quoted at least 20 times this year. Because of his credibility, when he does press releases they get published.

New Product Marketing

This man's company developed an entire business with PR. They developed a product and a database of 75,000 media contacts. He was written up in 200 publications, national and international, and generated \$500,000 in sales.

Lesson: PR is a good way to test which markets will be receptive to your product. Once you see which media pulls the best, you can roll out your marketing to those trades and set up dealer accounts. Then you can leverage your media exposure to close those accounts.

Loans to Probate Estates (Deceased People)

PR was used to build credibility with attorneys (and it happened quickly). This also created speaking opportunities to speak at Bar Association meetings. PR agencies can be expensive. Remember, they work for you.

Transformer Business

This business owner targeted the business section for articles. He was published in *The Fresno Bee* (with an equivalent of \$1375 in ad space.) His business increased 200% from that one article alone.

Find charitable events — these tie you to the community. Give turkeys or gift certificates for Thanksgiving, Christmas, Halloween, or other holidays.

Don't overlook PR via radio. Talk radio has huge audiences. Don't think of radio as larger than life. They are just people pulling their hair out daily to pull off a great show. Figure out their needs. Don't sell; just add value. Radio people are usually under-resourced. They have little time to themselves, and they are usually underpaid. If you can make their lives easier, you are almost guaranteed to get the coverage.

Marketing Company

People are interesting, but not necessarily from our point of view. One grocery chain did a special research report on eating habits and trends. 230 journalists attended the press

conference. This created lots of press coverage, tied local radio coverage to the dealers, and created a win-win situation.

House Builder

The company had been in business for 75 years. The original home that they had built was still standing. They located the daughter of the original owner and did an article on “The Way We Live Today and the Way We Were” which created local, regional, and radio coverage.

Radio people tend to be non-specialists. Whoever interviews you may not know your area. This is a great opportunity for you to educate them.

Consumer Electronics Manufacturer

We had an annual product showcase event. The old event was boring. We set two goals:

1. To make the event more informative, more interesting, more memorable, and more fun.
2. To turn attendees into actual sales.

To achieve goal 1) We made the event totally interactive, we had music, and a fairgrounds atmosphere. We had video games where if you press Pause on the videotape, and if it lands on one of our products, you win that product.

Normally, 3,000–4,000 people would attend. We had 18,000–20,000 attendees.

To achieve goal 2) everyone received with their literature packages a “Mystery Discount” Envelope. The envelope had specific Do Not Open instructions. With a purchase, they would get the enclosed discount only if the envelope was not tampered with.

80% of the discounts were 21%. (The best discount was normally 20%) 10% of the coupons were 30%. 5% of the coupons were 50%. 5% of the coupons were 100%. This increased total sales by 71%.

Dentist

This woman volunteered as a spokesperson for the British Dental Association. This led to three national TV appearances in 18 months. She was invited to a chat show on the BBC. The

topic was hypnosis. The discussion was largely stage hypnosis, but she uses hypnosis in dentistry. On the show, she announced the formation of an association to deal with fear, anxiety, and phobias in dentistry, the Dental Anxiety and Phobic Association. (DAPA)

Charity Fund-raiser

There is an organization in Britain that you can sit in one room, and it is patched into 150 radio stations. I sat down and did 43 consecutive radio interviews. The radio stations were delighted, since this is easy for them.

HR Management and Training Company

We gave philanthropically, with no real intention of generating media. We supplied 150 hampers to nursing homes. You can give resources instead of funds. We supplied a ladies football team with equipment. We donated some equipment to the local schools.

These organizations wrote letters to the press, which led to an invitation by the government to be a community spokesperson. This in turn led to being on various boards.

You may not think of what you do as news. It may be in the eyes of others. You can do news releases, or news coverage, or both.

Merchandise your PR. Small publications may be more open to covering your story. If you do it properly, you can leverage in a publication with smaller circulation, and it may be picked up by a larger publication. If you open a store, think about doing it differently. Wrap a ribbon all the way around the building for a ribbon cutting ceremony.

Board positions or chairman positions are a high profile way to become known. Be a leader.

One overlooked public relations opportunity is your internal organization. Keep people motivated by press releasing the staff, promotions, achievements, etc. Play this up big! Frame it! Give it to them in front of others. Conduct a surprise ice cream social. Invite your staff to the parking lot to be served ice cream by the CEO or Managing Director.

Telecommunications

Prominent third party endorsement guarantees press coverage. If you can't find a third party, create a figure with expertise within your industry.

What is newsworthy? A positive, measurable, tangible result for readers. Specific Numbers: How big, how expensive, how profitable, quantifying benefits, what impact does this have on the consumer?

Bar Coding Company

We had an event to promote a new educational facility. The benefit of this facility was a savings of \$1.1 billion to food manufacturers and retailers. By educating the industry, they could reduce costs. Human interest case studies work well. Pushing a product does not.

Record Store

We put in a database system to make it easy for anyone to find a title by keyword. This was newsworthy — it benefits consumers and other record stores.

Hair Care Manufacturer

This company's owner created an international profile with virtually no money. They went to trade shows and hair salons, hired make-up artists and models, and gave them free ads if they endorsed his products.

Photographic Imprinting on Plastic

We needed exposure for the product. We gave away demos and bartered for trade show floor space. This led to TV and newspaper exposure, then it became part of a school project. This was all great exposure.

Art Gallery/Museum Products and Supplies

We sent our catalog with a letter to magazines and newspapers. We received a full page in one magazine and a half page in another. We wrote two press releases — one got eight responses in small local papers with a few sales. The second created TV exposure, eight radio talk shows, and 58 newspapers and two glossy magazines.

Mortgage Company

This company's owner tells a sad story about a poor girl who was run over by a car. She went broke after she purchased a second property and didn't know how to handle them both. So she learned the ropes and she wrote a book on "How to Master Your Mortgage." She promoted the book with her own story. Result: In two weeks, she sold over 2,000 books.

Insurance Safety Ratings

We send press articles that other media have published. The press can be lazy and this makes it easy for them.

Insurance

We published an article with the following headline, “How To Talk To Your Parents Before They Blow The Estate — What Could Be Left, How It Could Be Managed.” It got lots of press.

Coin Dealer

This dealer educates the public on coin investment. He tapes his cable public access show and sells the tape series (six weeks of shows) for \$35. (There are 12-18 cable companies in Southern California.)

Real Estate

The agent conducts a real estate TV Show. This is a great way to show all the properties. This is working smarter, not harder.

Carpet Cleaning Company

We sent photographic Christmas cards to our customers. They were picked up by the trade press, then the local press, which generated lots of business.

Furniture Business

We had giant circular chaise lounges on display. We had a client propose getting us media in exchange for a chaise. She wrote a story about the company and the two women who started it. It was syndicated and printed in 15 newspapers. This created over \$100,000 in new business.

Customer Education Seminar

“Why are leading retailers from New York, Chicago, Seattle, Los Angeles, Denver and Dallas coming to Birmingham in the middle of February?” This was released on TV and in newspapers as a way for retailers to be interviewed on TV. It gives them credibility when they say, “I was interviewed on TV.”

CPA

We have been very successful with PR. We have ten partners who write articles every other month to *The Washington Post*, *The Los Angeles Times*, *The Wall Street Journal*, trade journals, etc.

Typical Stories: “White Collar Crime” (for banking trade journals); “How Does One Go About Picking A Good CPA?”

Wetlands Construction Project

We held a public kickoff event with good exposure in the newspaper and TV. We held a breakfast with a congressman as a speaker, gave everyone a “wetlands” plant, and conducted boat tours. This established us as wetlands experts, and created powerful posturing.

Plumber

He has a sign on his building. Rather than selling himself, he promotes community events, such as PTA meetings and Habitat For Humanity.

Car Dealer

During difficult times in Rochester for Kodak and Xerox, we did a radio spot, “Buy a car, and if you get laid off, we’ll buy it back.” This story was picked up nationally on ABC. This created tremendous goodwill.

Hair Stylist

This stylist got her photo in the paper giving a haircut to a homeless man.

Florist

This florist promotes a 24-Hour Flower Vending Machine, “The Sweet Smell Of Success” which got him a lot of press.

Fish Company

This company conducts a seminar “How to Recognize Good Fish.”

Financial Planning

Seminar/Article Ideas: “Estate Planning for Women Over 50 Who May Not Have Pensions: What you Can Do Right Now.”

Motorsport Publication

Article Ideas: “Defensive Driving/Freeway Awareness.”

Real Estate

This agency does a Q&A column in the newspaper.

Ad Agency

We wanted publicity, so we created an alliance with a local school district, a bank, a printer, the Parks Department, and the media.

We had the school students create art of their favorite places in Atlanta and had the printer make reprints. Then we exhibited the artwork in the parks and banks. The media covered it all, and they were the judges. They picked the top 12 and created a calendar. We got the press for putting it all together.

Marilyn Monroe Dolls Manufacturer

The company originally wanted publicity in the toy trade magazines. They wanted an original promotion that would get noticed.

Their Strategy:

1. Created “Limited Edition Porcelain Dolls — Only 100 Produced” (their original product was in vinyl) and sell them at \$10K each.

2. One per customer, fax orders only.

3. Got designer costumes, famous hair stylist, custom lingerie, custom furs and jewelry donated in exchange for publicity.

4. Delivered dolls to high-end toy stores in armored cars accompanied by Marilyn Monroe look-alikes and lots of media coverage. (Armored cars and Marilyn look-alikes worked in exchange for publicity).

Author

Another author, Dr. Peters, wrote a book, *The Peter Principle* stating that people rise to their level of incompetence. This man announced a debate with Dr. Peters, in front of the press.

The National Enquirer did a two-page spread. He received 14,000 letters, and 2,800 radio stations covered the story. He generated over \$1 million in sales in the following week.

Dehydrated Food Manufacturer

This manufacturer called NBC as an independent consultant (during a time of doomsday financial predictions) and told them of a hot story in California about a company creating survival food. Then he called ABC, and told them that “Cronkite is doing this story.” In one week, he got four minutes of national news time on three networks and made over \$10 million in three weeks. (And over \$1 million in one day!)

Chapter Four:

Offer Special Events for Customers and Prospects

Run Special Events (“Closed door” sales, preferred customer offers)

Not only are there two kinds, there are two purposes. 1.) To bring in clients the first time. 2.) To get people to buy more often and buy more things.

Using Special Events to Bring in First Time Buyers

There are two strategies. The more you make the buying process an exciting experience, the more engaged somebody will be. The more you revere something, they more they will buy. The more interactive you make it, the more invested they become. The more you help them gain knowledge it gives them not only an advantage, but a distinction above everyone else. They will see more value in whatever you’re offering.

Special events as a means to attract new clients. The strategy behind it is that most people you’re competing against are going to operate in a linear, in a traditional, in a predictable mode. They’re probably going to be limiting their selling activities to one of three or four primary approaches.

If they are selling high-ticket, they will probably have a sales force in the field, on the phone, or independent reps. They may go to trade shows. They may use direct mail or mail order. They may, if they’re retail, just have a retail facility. Most of that is predictable.

If you, once you have identified either a target audience or a media or medium that attracts, appeals, houses that audience, the more ways you can differentiate, distinguish and preemptively establish your company, your knowledge, your product, your difference in terms of approach, and the more the knowledge, the more education you’re willing to give them, the more you will win and your competitors will lose.

So the concept here is not in lieu of, but as *one of* the revenue streams, the impact points you work with to build, in this case, new clients.

Special Events Can Serve Many Purposes

Special Events can be an introduction of a new product. They can be an educational process that you, yourself, do where you take someone deeper on an existing product, you introduce them to the nuances or the applications or the opportunities of a new emerging product service field.

It can be a situation where you get manufacturers, suppliers to provide their experts --- chemists, engineers, researchers, doctors. It can be a chance for people to test or experience the product. It can be a chance to meet the experts or the executives from your company or supplier or partner. It can be a one time event that you do.

It can be a collaborative event, which you organize with other complimentary companies that have pieces of the puzzle that in no way shape or form competitive but will enhance the probability of effecting a sale because they have pieces of the puzzle that precede, correspond or follow the sale of yours.

Most of these special events are more serious and value-based. They're designed to provide advantage, information, education, enhancement, enrichment, or protection. However, they can also be fun experiences. We did a lot of special events with chiropractors where they made deals with Hollywood studios to host charity benefit sneak preview premiers of movies coming out.

We have had really fun thematic parties that we've gotten clients to have. One time we had a cinder block company that give a party. They invited everybody by sending invitations that were etched on blocks and they had delivery men deliver it to people they wanted to attend and they had great turnout. In this case, they used a special event to introduce their line.

There are no rules other than....if you do them, you do them with panache aplomb. You take it totally serious, put your heart into it, you're totally focused on the outcome for the client. Your goals can be anything from selling something right there to just pre-orienting someone for a sales call that follows, to booking a sales call, to booking a trial.

And the only caution is you have to have integrity in what you're doing. And you should know in the beginning what your outcome is. You should make that outcome integral to the content that you disseminate in your event.

Consider Having A Ongoing Series of Special Events

I like companies that have continuous events, but they're like change of pace so that no one ever knows what it's going to be and they're always fun. It could be anything from a golf outing to a camping trip.

One of my clients took all of his best people to a race car driving school. One of them took everybody to the movies. One of them got a "B" movie star to come and hang out at a party. One of them got a sports person to come to one of their meetings. One of them got their entire research team from an important manufacturer to come.

One of them got a prominent author. One of them got the head of the trade publication to come and speak for them. One of them got a gourmet chef to cook and teach at the same time. One of them got a guy who's an expert on how to dress for success to speak to their people.

You've got a lot of different options here. ***The trick is, you've got to break through the clutter, you've got to realize that for someone to take time to come to your office, to your hotel, to golf course, to a movie theater, to any venue, you've got to make the explicit or implied promise of a payoff to them, whether it be financial, experiential, knowledge, prestige, enjoyment.***

It's got to be very clear and you've got to be able to demonstrate why you're doing it so it makes sense. So there's congruity to it. That's pretty much it. Does that make sense?

Using Special Events for Existing Customer Base

Now, the other approach to this is as a means to work on the third way to grow a business, if you'll buy more things. If you have special events that are exclusively for preferred, VIP, either special category or higher frequency or dollar denominated buyers and you treat them with VIP status, you should let them know ahead of time of everything.

You let them know before sales, before product introductions. You acknowledge them and do special things for them and tell them that part of being a preferred buyer is the same thing as frequent flyers. You have dinners. You do events. You send a limo and you take them to things. You do all kinds of things.

But whatever you do, if it's justthe problem with most people is they do it insincerely. They do it erratically and they don't do it strategically. If you're going to do it, you've got to make it an integral part. It's like four times a year, you've got an event for your special people.

If they know that whenever a new line of clothes comes out, they're going to see it first because it's not going to last. And who deserves first right? They --- if their products or services that are not cost justified for you to stock or invest in but if you presold them without even taking possession or having to commit capital, it would be a cool thing to do. Those are the kinds of reasons you do this.

But you should use special events --- you can combine them, but you can also segregate them. You can use special events for both new and existing clients in a most strategic manner the way you use it is a general one to bring in new clients and convert them. Separate ones for getting people to buy more things and more often. We've had clients before who were so strategic they had a full-time operative that just set up the charity events for them.

So it depends. I want to be clear. You've got total latitude on how you do it but the trick is to do it strategically or not do it at all. Doing it intermittently, doing it one time just to be doing it is a waste. It might work but it's a tactical move. Does that make sense? Is that helpful?

Using the Media to Attract People to Your Special Event

You can use a display pad. You can use an invitation. The best way to do it is to get someone they trust to invite them. An endorsed invitation to an event is probably the best possible way you can do it. And the invitation can be a mock invitation.

It can say, "Exclusive invitation into be at the premier introduction of the biggest breakthrough in computer history. Reserved only for preferred clients of ours and the manufacturer and have a little list of the things that'll happen. You'll see a machine that can double the productivity of everybody in your office.

See the machine that can process ten times the amount of work. See the machine that can make the entire office departments obsolete. And talk to people who are using it right now to gain great competitive advantage. This is a pre-preview opportunity, a sneak preview. It's not going to be on the market for six months. You'll be able to see it, view it, examine it and if you like it try it out, risk free, for the next six months.

Whatever size business or practice you have, you owe it to customers or clients to acknowledge them and make them feel special. If you do it through special promotions and events, it can be very profitable for everyone involved.

To increase your transaction frequency you can focus on running special events. After hours sales, closed door sales, featured product promotions, pre-sale sales, first time offerings, grand openings, limited pre-releases, new product roll outs, limited time or availability offers are all great examples of special events.

Make Special Offers for Existing Customers

Give them special offers you don't normally make, or advance offers or a little bit preferential price. Don't they deserve to be treated differently? Don't they deserve greater awareness, greater, faster, earlier alert?

Don't they deserve greater benefit, greater advantage, greater pricing? If you acknowledge their preference to you, you will normally get a huge return. The best thing to do to your existing customers is to acknowledge them as being special. Everyone wants to be special.

Let them know ahead of time, give them chances to try, buy, visit, try out, be exposed to the president, have representatives, consultants, experts in the field come and make them available.

When someone you do business with and someone you've spent money with sends you an invitation to a pre-release discount sale, do you feel exploited, or do you feel acknowledged? How likely are you to show, even if you don't want to buy anything? Everybody goes to a party. The acknowledgment, the invitation itself demands reciprocity.

Special Events for Preferred Customers

You can distinguish a large portion of your customers as preferred customers or some other status that you are comfortable with. A preferred customer event is where you give them advance access, preferential pricing, free bonuses, access to it ahead of everybody else, the chance to order it before everybody else gets it or anything in between.

You can then make it a point that anytime anything new or upgraded, or this year's model or an addition or a pricing change, or anything else of note occurs, you can use that as an opportunity for a special event. It will make people respond who normally wouldn't. It will make something mundane exciting.

It's hard wired into us that if somebody gives us something we have to fight against giving something back. We need to balance our books. So if you make a gesture to your customers, they will need to bring something back. Every body loves a sale. Every body loves a deal. You just can't beat it.

And a deal is not necessarily a better price. It may be advanced access, better choice, chance to meet some of the principals or designers in the thing, first twenty or thirty units produced, being recognized as special, having your name emblazoned on something or anything in between.

Once you get a very sophisticated data breakdown on your list, you'll know which customers have a predisposition to buying what. So you can then start doing specific offers to them of those specialized products or services that you don't even necessarily have yet, or you haven't even ordered yet.

You may run a regular business where you have your regular traffic. You're going to smoke different people out with closed door sales, limited releases, etc.

Another derivative of this (and it's a switch) is revering, honoring, respecting the preferential importance that a past customer has to you. They are far more important and valuable and significant than a future customer. They've already raised their hand, they've already made a commitment, they've already become your friend, and they've already committed themselves emotionally and financially to you.

It's very powerful.

You never know until you try things. You should do preferential offers where you acknowledge them, give them a special, let them in on something new happening, introduce them.

There are plenty of things you can do. There are no rules except the rules you impose on your belief systems and thinking. If you do pre-sell promotions, please be aware of the Federal Trade Commission's thirty-day rule, so that you don't just delay delivery. If you tell the customer in advance, it's OK.

This is comparable to using point of sale promotions to build business. Whole businesses can be enlarged and enhanced by this one phenomenon alone.

Using Special Events to Move Products

You can also use this to move products that you may have difficulty moving in a broad market. You can use this to move your niche — your higher priced products — because you know more about your customer base and you might be able to afford to sell it where you might not be able to sell it in your broad based marketing.

Pre-selling is a wonderful way for companies that have a chance to sell really specialized expensive or custom made products but couldn't justify investing their own capital in it to pre-extend it and pre-offer it to highly proven past purchasers who have a history of buying high priced or specialized items.

If you're thinking about getting into a business and you have a capital outlay of one million dollars or ten thousand or whatever is substantial to you, you can pre-sell people.

When we did *Marketing Genius* — we sold two and a half million dollars worth of it with inserts as a back end of Howard Ruff's newsletter saying that "We're not even going to do it unless we get enough people. And we won't even deposit the check unless we get a few thousand people.

But one way or other you're not going to get your first issue for four months, because I've got to sit down and write it, and I'm not going to write it if I have an opportunity cost." We said that. We said it nicely, but we got two and a half million dollars for it.

You can do anything you want because you make the rules – as long as you give people the reason why. Isn’t that exciting?

Special Events to Make Customers Feel Special

Mark Twain once said, “You can sell anything in this country as long as it’s ‘one to a customer.’” If you have a list, a client base... a retail operation... if you have a captive base of any kind, you can enhance your profits and your business by offering special offers of either specialized merchandise or pre-release merchandise to those people at some advantageous terms.

But sometimes, it’s just having it first. People want to be special. This is a way of recognizing people with whom you do business. Recognizing people who have been loyal to you and you are loyal to them. You give them best selection perhaps -- could be price, could be opportunity, could be just the occasion.

It could be that you have a new operation or something you want to build traffic on, or you’ve never had something come in before or you are trying to establish new management.

Many times there’s a new product that you think is really neat, but you don’t want to invest in inventory. Tell them the truth. Have them come, see if the manufacturer will let you have a display model, and invite them in for cocktails.

Any one of these can be your breakthrough current that can transport your whole psyche, your wealth, and your business. With combinations, I pity your competition and I envy you your wealth. A lot of people have made a lot more wealth than I have using these because they believed it and they acted on it.

Offer “Preferred Customer” Discounts

One good idea is to incorporate some sort of purchase incentive into your customer communications. If you’re sending a letter, consider extending a “preferred customer discount” or some other form of “members-only” incentive. Position it as a special gift to your most valued customers — something to reward them for their patronage.

If you’ve got a retail business, you may even want to hold a special after-hours, “invitation-only” sale for your valued customers. People love to be treated specially. By sending

invitations to an exclusive event or sale, you'll solidify your relationship with your prized customers. You'll demonstrate that you value their business more than the business of someone who just walked in off the street. A preferred customer sale tells your customer that you're rewarding them for their previous purchases and continued loyalty.

Keys to a Successful Special Event

Regardless of your methods, the process of doing business with your clients is an experience for them. The trick in business is to make doing business with you a truly positive experience from start to finish.

Be innovative. How many ways can you make dealing with your company more enjoyable, more fascinating, more informative, more educational? Can you get the head a supplier's factory to come and demonstrate their process? Can you teach people methods that you've learned? Can you give them advance knowledge of what's going on? Can you just have fun with them? Can you help them with their golf game? What can you do?

Pick out subjects and invite prospects to come to a special event night or information night. A "How To..." night is really important. You demonstrate applications, you have experts there to show them how they can do things. You have specialists, consultants, authors; you have some of your staff there.

Some people are too literal. Let's say you're in the hammer business. Well, having a seminar on hammers is pretty useless; having a seminar on how to build your own "blank" is a lot better. You want to go to a more global implication of your product or service.

Anything that you can do that is exciting and attracts qualified people to your business, company, exhibit, etc., can be a means of making it more exciting and valuable, and lending a little more entertainment or educational finesse to what you do.

You can do service type things; seminars, training, or give away all kinds of free trial samples. Do educational programs, testing, introductions, or interactive demonstrations. Anything is a very powerful practice.

Use several methods to get the word out. Mail, then follow up with a call to remind them of your event and determine how many will attend.

Call other businesses to see what type of promotions work for them. Adapt them to your business when applicable. What ideas can you come up with for having a special night or event for your best customers? How many different ways can you come up with that will set you apart from your competitors?

It really works, and it bonds you to your customers as well. It gives the means and reasons why and a very strong stimulus to get people to talk about you favorably to other people. Allow yourself to enjoy the fun and the gratification on different levels, not just a monetary one.

Most of the time you are in the defensive mode of having to solicit. Isn't it more exciting when people solicit you? That's what it is with some of these events. They come and solicit you. They engage you and it's a much more powerful positioning.

Keep in mind that your goal is to become the ultimate value creators. For everything you do, look at it in terms of "How can I add greater value, increase the benefit, and produce far superior advantages — not for myself, but for the customer or prospect I'm trying to commit to on a lifetime basis?"

Take an attitude that you're going to have a relationship forever. They may not buy from you every week, but you're going to be there. And as long as you're around, and as long as you know and understand ways that their life and business can be improved, you can touch more customers. Take a long-term attitude, because it helps you really connect with your customers and prospects in a much more meaningful and deeper way.

Examples and Ideas for Special Events

I've learned that there is always someone else who wants your objective as much or more than you do. If you put together a thematic event, you could probably find five or six other non-competitive speakers or sources who present at your event, and help in its marketing. They could probably even pay you a fee for organizing it. You'd enjoy the benefit of distinguishing your business as an expert at the same time.

Financial Planner

For example, I've taught a lot of financial planners, accountants, and consultants to maximize their business seminars. My client would organize the event turn key, go to each of,

say, four speakers and have them put up \$2,000. My client would put nothing up, because the \$8,000 would be more than enough to rent the hall and pay for the printing and mailing.

Speaker

Once we raised enough money to bring in a nationally recognized speaker. In that case my client paid the person ten or fifteen thousand dollars, but they drew people like mad.

Plastic Surgeon

I counseled a plastic surgeon once that used to give seven-hour presentations once a month on whether plastic surgery is right for you. He would attract 100 people, and approximately ten would have some surgery performed averaging about \$10,000 each. That one seminar would bring him as much as \$100,000. And that was just one pillar of his Parthenon.

Retailer

I worked with a retailer that used to have a semi-annual Wild Western Barbecue. The merchants would close down the street and invite the whole community in.

I have another client who invites the whole community to their offices for a Christmas party every year. At Thanksgiving they give out turkeys, and at Halloween they give out pumpkins. They get all kinds of new people who appreciate them and come in.

Dental Supply

I had a dental supply company who wanted to expand their client base. I turned them into a resource center. I showed them that a dentist was a businessperson...and a parent, and a spouse, and a sensitive individual with problems and issues galore that he or she had to deal with.

The dentist had a practice, a business. The dentist had stress, margin problems, tax issues, management issues, and they had personnel issues. They had investment, retirement and health issues. They had all kind of issues.

I said, "Why don't you become the one distributor in the marketplace who's committed to the success, happiness and prosperity of those dentists? Why don't you have continuous training programs? You can have them free. They can come and learn how to manage their practice better. They can learn how to manage their money better."

They can learn how to pay less tax legally, how to keep morale at the highest. They can send their office managers to learn how to manage, how to get clients to pay and show up for their appointments. They can learn how to get stress relief. They can come and learn all kinds of hobbies and sports.”

They took my advice, and their client base ballooned. You are limited only by your imagination.

Restaurant

My wife and I frequent a chain of restaurants near our home. They realize that dining’s gastronomic aspect is only one element of the process. It’s got to be an experience. They strive to keep their presentation fresh, and change the menu, and change the theme. Sometimes it’s celebrating an event in some country. They’ll serve specialty dishes, everyone wears that country’s costumes and they play the music.

The stuff costs very little and it really works. It bonds you to customers and it attracts you to new customers. It gives a means and a stimulus to people to talk about you to all kinds of other people.

Music Store

During a visit to Australia, I was reading a magazine and a really distinctive article caught my eye. It had a picture of three naked fellows in their 20s holding something over their frontal areas, and it had a truly great promotion. In fact, it was so distinctive that I kept a copy of the article. Here’s what it said:

“When you walk into Gas Light Music, you are walking into much more than a music store. At any given time you could find yourself walking into an in-store rock concert, the launch of a new CD, or a shop full of naked people.

“Gas Light Music houses Melbourne’s most diverse range of music, specializing in CDs, tapes, and videos that you can’t get anywhere else. But when it comes to in-store events, Gas Light has a well known bi-annual customer participation calendar which highlights special days.

“The most famous is ‘Nude Day,’ with a free CD given to everyone who comes dressed in his or her birthday suit. Last report had 300 such people jammed into their store. They also featured ‘Shave Your Head Day,’ ‘Seeing Eye Dog Day,’ ‘Speed Reading Day,’ ‘Pet Fishes

Day,' 'Dancing Business Man Day,' 'Fake Orgasm Day,' and many more. They have even created a 'No Big Deal At Gas Light Today Day.' This has created a lot of publicity to the store."

"As an example of virtually an event a day, take a look at what they have for June:

June 2nd — Military Personnel, 10% off all day.

June 5th — World Environment Day, everyone who joins the world environment protest march held today gets 10% off purchases.

June 10th — Coleslaw Day. The best coleslaw made in the store gets a \$20 drink card and a double pass to the Keno cinema.

June 10th — Balloon Basketball Day, three double passes to be won.

June 11th — Balloon Soccer Day. Win one of four CDs and one of 6 Gas Light t-shirts.

June 12th — Warwick Capper's Birthday. Boy with the longest hair and girl with the shortest hair win a \$20 drink card.

June 13th — Queen's Birthday. The first 4 people to sit for 10 minutes on the in-store throne loo, wearing a gas light crown and giving each customer a royal wave wins a double pass to the Longford Cinema.

June 16th — First person to come in at 12:30 and make any kind of munchies for the lunchtime customers for 20 minutes wins a double pass to the Last Laugh.

June 17th — Staring Into The Mirror Marathon. Bring your own mirror. Dinner for two at the Lounge.

June 19th — Poetry Day. \$20 book voucher for the best two-minute stream of consciousness poem.

June 21st — Day To Insult. Scream your insulations at Gas Light staff. Best four win passes to the theater.

June 22nd — Cane Toads. The first four customers to hop around the store and be a pest for 15 minutes win a double pass to the cinema.

June 23rd — The most unusual car double-parked outside Gas Light today wins a gold pass to the Prince of Wales Hotel.

June 24th — The first same sex marriage in the USA 1970. The lucky gay couple wins a dinner for two.

June 25th — World Record Day. Many world record attempts in store with prizes including \$50 drink tickets.

June 28th — Unworthiness Day. The first person to claim, ‘I am not worthy of a prize’ wins a surf dive and ski t-shirt.

June 30th — Lawn Mower Day. The first person to bring in a lawn mower and mow the store wins a \$20 drink card.”

By the way, sometimes we all get too hip. I read that to you not suggesting that you have a Nude Day. I’m just trying to show you the scope of what is possible. If you are at nowhere now, and Gas Light’s approach is at the opposite end of the scale, probably somewhere in between is Nirvana. But it gives you a possibility-stimulating idea. Imagine if you make enjoyment a part of your product or service. Boy, it could be fun, couldn’t it?

But you don’t have to be outrageous to draw people in. I recently picked the brains of some of my clients who had some very imaginative promotions. They weren’t all blockbusters, but they all tried something new.

Here’s our session. As you read, notice that what may seem like a simple idea to you may be a great draw. Conversely, sometimes elaborate promotions can fall flat, so if you’re doing your first event, don’t be afraid to start small. And don’t be afraid to experiment.

Auto Dealer

For a special event, we occasionally do a private invitation sale. 15,000 mailers offering a lousy piece of cookware. We used about 10,000 names out of our database and found this

company in Ohio. They bought some Toyota names and Datsun and Nissan names, put it all together and put out a mailing piece that I didn't think would draw anybody in.

Jay: What was the offer? When did you do that?

Auto Dealer: In December. 15,000 pieces and it was an Anchor Hocking promotion – “Come in and get some Anchor Hocking cooking ware.”

So it's a Saturday morning, and we are all staffed up to go, and these boxes of cookware come in -- and all it was was little plastic crap that I would be embarrassed to give anybody. “Holy cow! I can't do this.”

So I kind of snuck around to one of the offices, and all of sudden all of these people start coming in and they are all excited about getting one of these gifts. Well, the long and the short of it is, we drew in about a 129 people.

Jay: Did they have to take a drive or just come in?

Auto Dealer: Just come in. Now Paul, my sales manager and another guy qualified people at the desk -- people that were just there for the freebie. We gave them a red “sold” card and suggested that they just look around and come back if they needed any help. The people that we thought were buyers were given a green “sold” card, so the salesmen knew who was legit and who wasn't.

The long and the short of it was that we drew in 129 people in out of about 15,000 mailers (Less than 1% response). But it was not bad for a lousy mailing piece, and not bad for the first week in December. We did 29 cars that Saturday.

Jay: How many were qualified in your terms, between the green and red cards?

Auto Dealer: I would say about 40% qualified.

Jay: Are you going to do it again?

Auto Dealer: We are going to do it again in mid-February. We usually run a special event in February. We have done it for nine or ten years and we call it our “Dome Sale.” We take

our entire inventory from all of our stores and go over to this thing called the Monroe County Fairgrounds where there is a big dome, and we take our entire inventory inside. We are going to do a Homeless Sale this year at the store. Put all the cars inside in the service departments.

And we are in the process now of getting our database set in conjunction with some radio and TV promotion. We are going to drive them in that way

Jay: Tell about some of your other special events. I know you do Mercedes when they have new cars.

Auto Dealer: In conjunction with them, yes. What we do four or five times a year is after they have taken delivery of a car, we have an informational night. So 30 to 45 days after they have taken delivery of a Honda or a Mazda, we bring them in and do a new car seminar. I have a service manager, parts manager and sales manger up there, and we tell them what they can expect from their car, what they can expect from the service department and the body shop and the parts department.

Jay: Do you do that every month?

Auto Dealer: If we have enough — if we are up to speed on our database, yeah. Sometimes we don't get a big response, so we just lump it into another month. We tell them how to care for their car and why they should come in with the frequency that is suggested. Then we take them out to the service department and show them how to change a tire.

Every year we try to put on a golf invitational tournament for our Mercedes or BMW customers. We find a country club near us that wants to do something like that. We usually budget about \$ 10,000 for that. It does phenomenally well – not right away, but (through) the word of mouth. And then we see an instant rise in sales.

One of the things that really did well for us is we had a Range Rover Event and we did it in a jungle theme at Out of Africa and spent a lot of money doing that. We had African food and African drinks and hunting dogs and all that, and as a result of that we had a phenomenal job.

Jay: Did you reformat the whole dealership to look like an African motif?

Auto Dealer: Yes. It was a lot of fun. And I was amazed. What really drives a high line buyer is not a gimmick, but they like an event, an experience.

Jay: Now you just recently had 300 or 400 people to your dealership for the C classes? What did you do?

Auto Dealer: That's a new Mercedes for \$29,000. So it's a good value. We simply took our customer base; we took the Lexus customer base. We sent out a mailer inviting them to a private showing after hours.

We had wine and cocktails, and had it catered. We had the cars all covered up and we unveiled them, and we just had a phenomenal show. We sold out of C classes very quickly and had several Cadillac and Lexus owners trading in their cars.

One of the things we do in conjunction with a radio station is we have a remote. That is where the radio station comes out with their personalities and stays for two or three hours and hypes whatever we want to hype. It's a very cost-effective thing for us, 'cause during that week (a remote typically is about \$5,000) you get 50 spots and 20 mentions. So we get a draw of people in.

The best one I ever did was a fluke. We did it a couple of years ago, and when we planned it I didn't think anything about it. Picture running a big, big Honda sale on December 7th

... We didn't realize it until the date got closer. It worked out well. There were a couple of people that called in on the radio station; but the announcers were smart enough (it was a talk radio format) so they clicked them off or something like that. We ended up selling something like 16 cars that day, so it was pretty good.

A few years ago we had a grand re-opening of our Honda showroom, and one of the things we did was to send out a nice little mailing piece. We put colored confetti in it, and when you opened it up a couple of pieces of confetti would fall out and everyone would be happy. Well, we had the salesmen stuff the envelopes, and some of them got a little over zealous in their stuffing and some people would open it up and they would end up with confetti on their shoes.

Sean and I happened to be at a different event a couple of days before ours, and behind us we heard this lady say "Do you believe they sent this invitation? My carpets got all full of this

paper." We didn't do well with that one. People were a little upset, but we did well. We brought a lot of people in as a result of it.

Hotel Owner

Hotel Owner: When Nancy Reagan was found to be consulting an astrologer, our PR firm called me up and said, "Could you use an astrologer (in your promotions)?" I said yes. "Send out a press release saying, 'Get Presidential treatment at the Claridge Hotel with Judy Brady' (who is very well known in Chicago.)"

So we got 150 reservations for the night, which is almost selling out, and there were lines in the lobby. The deal was a free consultation. She would read your future for you. All three television networks showed up; there were five on-air radio interviews and every local and big newspaper.

Jay: Was there a negative to it?

Hotel Owner: Yeah. It cost us \$250.

Jay: Are you promotion oriented?

Hotel Owner: Yeah, we do a lot of promotions. When we decided that we would be the most Chicago of any Chicago hotel, we got all of the vendors from Chicago. We had stands of people from Brach's Candy and Tootsie Roll. We had a seminar from two beer makers in Chicago. We had a huge night and about 1,000 people came.

Jay: How did you invite them?

Hotel Owner: It was from a fairly standard list. Some of them were prospects; some of them people in the media; some of them convention people, trade people. And we had cards that night that gave you 25% off, and we got something like 250 of them turned back in for rooms.

Jay: What did that one cost you?

Hotel Owner: That one was expensive — that was about \$6,000, but it brought in about \$35,000. Most of the food came from the vendors. In fact, we had one woman who was starting up a business. They make caviar from fish in Lake Michigan. I did not touch it, but they had

something like nine different caviars at this caviar bar, and they sold out. She said she had enough for almost 1,500 individual servings. So we did extremely well.

Jay: Give me one more. You seem much more promotional-minded than you will allow yourself to acknowledge. Is it hard to engineer and motivate all of these people to cooperate with you?

Hotel Owner: It's not hard if you have a great staff, and I have a great staff.

Jay: And why do you think you have a great staff?

Hotel Owner: For two reasons: Number one, I only hire people who laugh at my jokes. And I'm probably the worst interviewer in the world. I just talk to them, nothing about the job. I want to know if they're flexible. I don't hire people from other hotels. They have been ruined.

Jay: What makes for the perfect employee or staff person?

Hotel Owner: The perfect employee at our hotel is someone who will go out of their way any time of the day or night, joyously and happily and willingly.

Jay: Let me ask you one more question while you are up here. What advice could you give to people that they could learn from the attitude in the hotel industry?

Hotel Owner: I really think it is listening. One of the things I say is you can never get in trouble at this hotel for making a guest too happy. As long as it's legal, you can do anything you want. If they walk out smiling, I'm not going to get mad. If they walk out unhappy, you're in trouble. Everybody at my front desk can comp rooms, can give rooms away, can order champagne, can do anything they want.

Jay: Do you do any PR about this?

Hotel Owner: We've had good success with public relations and all of these wacky efforts.

Jay: Most PR, even the great ones don't take a look at these elements.

Hotel Owner: I think the answer is to listen to your employees. It used to be that only my assistant or myself could comp anyone. Now the maids are comping people.

Did that get your juices flowing? There are so many ideas that you can build on, borrow from, elaborate, customize to your business or market that you really have no excuse for not giving it a try. You may surprise yourself.

Anyone who's been to one of my seminars knows how much I value the experience of my clients. I believe you can learn as much – sometimes more – from each other's experience as you can from me. Here's some more examples of what people have done:

Fashion Merchandise

We've targeted American Express cardholders as a group that we want as customers. We closed the store for three hours and sent out 80,000 invitations to American Express cardholders. American Express worked with us. We had a fashion show in the store. We had a free gift as they arrived. During those three hours we offered a 20% discount across the board.

The response was overwhelming. In three hours we did 1000% more than we would usually do. And a number of those people became ongoing customers

Travel Business

We have a yearly program where we call all of our valued customers and invite them to our house. We hold a huge feast — good food, good drinks, and no liquor. We entertain them — we play them songs (No discos!) We show them slides, photographs that we have taken together with them while we travel around the world. They bring family and friends to view the slides. It has created a big family.

Natural Health Practice

We held an open day for two days. We had many brochures and broke down all of the areas of our services into easily explainable chunks so somebody could pick one up and know what I was doing. First, everybody had a ball — we had music, we had talks, we had slide shows. It created a lot of responses. In two days we sold a half month's clinical services and it blew our minds.

Lingerie

We wanted to project a very high image of our product. We decided to hold an event and encouraged our sales people to invite their prospects and customers to the event. We invited quite a number of VIPs – governors and the like. We had a fashion designer and a modeling house give a very good performance during the event. All of our appointments were fully booked and our sales increased by 100%.

Training

We use that magic term, “Free Seminars.” It’s been the most effective way to get the executives in our targeted market to sample what we do. It works like magic. The smallest audience we’ve had is five, but we normally get between 20 and 25 executives. The seminars we bring to their organizations will take anywhere from 30 to 100 people. We get a small number at the free seminars but they are decision-makers that we’re looking for. 2% to 5% buy the follow up seminars.

Beauty School

We run a lot of information days for students just for them to find out about the different courses available. Our audience likes to hear about how to get to where they want to go. It’s a big part of our business.

Jewelry

For the last 20 years I’ve been a member of a variety club. Each year they do a telethon. This is the second year that I am doing it. I say, “We have the telethon coming on the 14th of Feb and on that day I’m giving my total receipts to the Variety Club Telethon.” Gross receipts.

It costs a few bucks, but it gets people coming into the store. It makes me feel good too, because I know the money is going to a good cause. I also give any kid that sells at least 100 gold hearts a \$50 gift certificate. And the school that sells the most gets a CD player and ten CDs.

Legal Services

Financial incentives to law firms to get us repeat business doesn’t really work because it’s a billable expense to the client. We found that to appeal to those in the firm who had authority in making decisions about getting their documents to the courthouse, we had to do something else.

We came up with a “frequent faxer program,” and we directed it at the paralegal and the legal secretaries. We provided them with a choice of a \$25 gift certificate to either Macy’s or Nordstrom’s. It has been an extremely successful program.

Training

We do a lot of evening and information events. We first started doing that to try and earn money. We took a different approach and tried to up sell into corporate training. We gave them all of the information that I could at the first seminar. We up-sold almost \$25,000 worth of training the first time we did that. Before, I would be lucky to get 10% of that in an evening.

Chiropractor

Every three months we offer a customer appreciation day. That is where everything we do is at no charge. Also, during the holidays we do the same thing, but require a canned good. We get an extra kick on that, because I get my name in the paper showing me giving the check and the food.

Public Relations

In the early 1980’s our client was the Denver Chamber of Commerce. At the time I was working for a public relations agency. At the time a lot of companies were moving out of Denver. The Chamber’s job was to attract new businesses. They were exhibitors at a national conference in Kansas City where a lot of site location consultants were going to be present.

What we were trying to accomplish with this special event was to create a very finite list we could use to attract more people to Denver. We sent a mailer to everyone coming to the conference.

The brochure said, “It looks like Linda Evans and Joan Collins are going to be in our hotel suite.” When the two actresses arrived at the airport, I picked them up in a limo and hired a photographer to follow us and made sure the photographer took pictures as we were entering the hotel. Needless to say, we attracted a lot of attention before we said anything.

That night they were at our suite. Everybody who came in had to give a business card, and then they were allowed to have their picture taken with Linda and Joan. We created a mailing list that was bulk qualified.

We got over 1500 names, and as a side benefit, everyone got to take home a picture. We had lines for over two hours. We even had wives dragging their husbands in to get their photos taken. It worked, and the Chamber got a really good list out of it.

Church

We learned how to make more money for our church. We funded a business to create jobs and bring a link between Blacks here and in Africa. We specialize in providing a beautiful experience of fashion.

One of the events we had that was very successful. We scheduled a gospel singer and promoted it by having a signing party with a concert at the church. To get free tickets to the concert, they had to give their name, address, and phone number.

We had so many calls we couldn't handle it. At the store we had people all over the place. At the concert there were so many people that our church was overflowing. We had 2500 people and had to lock the doors. We had to go through the back door to get in. Our choir gave up their seats. We've booked her to come back in February.

CAD Solutions

A large part of our business is education. We used to have seminars with the manufacturers of the software we represent. We'd send a mailing to government agencies and corporations. We'd have 10 or 15 people show up. It was successful, but not what we were looking for.

A new tactic we tried was having the major corporations mail out the same invitation on their letterhead saying they were sponsoring an educational seminar being hosted and co-sponsored by California CAD Solutions. Our response went from 10 or 15 to about 75 or 80, and our quality of attendees went up.

Seminars

We ran a four seminar series for physicians. We used host/beneficiary, direct advertising and the seminar technique. The net result was for a \$12,000 investment we were able to close sales that netted \$600,000 in revenue.

Attorney

Law firms are not well known for marketing. We've had success with a few attempts. We held an event with the chairman from a Chinese company. We attracted over 150 people who were interested in Chinese trade. We've had several seminars since, and each has attracted over 100 people. We've gotten many clients from these events.

Entertainment Business

We represented only actors and actresses. We got to thinking that we could expand, so we started representing writers and directors.

The first we took on had done a short ten-minute film and had no way to get it out. We decided the best thing to do was a special event. We knew if we sent a letter to the studio executives, the letter would end up in the trashcan. They would never see it. The little short film was called "In The Bag." One of the unique things was that a total female crew did it.

We weren't sure what kind of reaction it was going to get, but we took a chance. We got everyone that worked on the film to bake some cookies. We took bags of cookies and tea bags with the invitation in the bag.

We hand-delivered them all over town to our targets. We booked a couple of screening rooms. We asked all of the people to at least look at the invitation, and if they were too busy to attend, to give it to someone in their department who could come back and report. We sent out 100 to heads of studios and independent producers. We called and let them know that there was limited space, so we would need them to respond.

We ended up running three screenings the first time. We got calls after that first screening asking for videos, because they were unable to attend. We didn't want to send a video, so we sent another invitation letting them know we were going to add another screening because there were so many requests. We had to put three more screenings on. The upshot was that by hand delivering cookies, we now have the film in development by a major studio.

Car Wash Consultant

We do two things that I think will be helpful. You want to build up new customers to your business. How do you know when you have a new customer come into your business who have never been there before? When they do come in, what do you do about giving them something special that keeps them coming back?

The first thing we do is we give them a reward. Not a free car wash, but some thing or service. Each five washes they get another prize, and eventually they do get a free car wash. We ask each person for his or her reward card.

If they don't have one, we ask if they are a new customer. If they say yes, we say, "Fill out this card and we'll send you a free car wash in the mail." They fill out the card. The object is to get them to come back three times. If they come three times, if you have given them good service, you have developed a customer.

We also give a free wash on their birthday and advertise that all over the place. It's a tremendous attraction to give away something free. I also designed a Happy Birthday America promotion on the Fourth of July, which is a dead day for most businesses and car washes.

We open our car wash and bring in 25 people as crew, and we give a free car wash. At 7 am we have a line about a mile and a half long. We give free sodas and have them fill out a little card with their information.

Restaurant

We are an ethnic restaurant in Singapore offering North Indian cuisine. Our sales were down about 15% from the same period last year. We found an artist from India and brought him in. I sent out a mailer to all of our customers. On Sunday we brought in a class of primary children to learn how to draw. My sales improved by 50%.

Musician

We recently moved our offices from one area to another. We reproduced a lithograph into a post card and sent it out with the announcement that we had moved and our new address. It was a little larger than a normal post card.

We sent it to people who were our old clients that we hadn't seen in awhile. Two of them called last week. One wanted to do a tour of 13 weeks with a star who is a hit on Broadway who we had no idea was even remotely interested in our band. The following person called about doing a tour with another famous person who just called because he hadn't heard from us in awhile.

Real Estate Agent

We sell about 500 to 600 homes a year and have had a great deal of success with this method. I carry a lot of listings, and sellers want open houses. So we started what is called an “Open House Tour of Homes” where you would have a house open from 1:00 to 1:10, then you would have everybody that came to the first open house follow you to the next house.

When you have open houses for an hour or two hours the buyer comes, looks at the house, and they go to the other open houses and you lose the buyer. So we literally have cars following us through neighborhoods — sometimes ten to twenty cars — driving down neighborhoods real slow, going from house to house to house to house. We had the flashers on and everything else.

We would position a “For Sale By Owner” between two houses, and call and say, “Can we please show your house?” And of course, if you want to get a good listing, if you could show twenty buyers or ten buyers to a “For Sale By Owner” they are very anxious to know how you did that. So it worked really well.

Golf Course Turf

We hold a very special golf tournament for our customers. We feed them dinner and hold a Calcutta — everyone puts in \$10 — and we have lots of jokes and a few fun holes. They say it’s the best thing of the year that they’ve had. We attract close to 40 clients and make them feel special.

Business to Business Bartering Exchange

Every three to four months we get all of the businesses to do displays. When they sell something, we take their barter voucher and put it in a box for drawings. All night long we give away prizes. What we are doing is encouraging business people to meet other business people and exchange business cards. We do this as often as possible. Put two business people together, and generally something happens.

Seminars

I speak for someone else to get our business in as long as their audience matches our target audience.

Resort

One of the problems when you are trying to get a travel agent to remember you is that you are only remembered until the next one comes in. I have friends who are entertainers, one in particular who does impressions. While she's singing, she changes to all of these characters. What I did was pick a particular area and I invited 20 travel agents to come have breakfast with Madonna, Cher, Tina Turner — and everyone came.

Computer Systems and Software

We have a monthly breakfast club meeting. We provide information on different technologies – not always what we sell, but just to keep people up to date with changes in our industry. The last one we did was on some contact management software. We have one of our consultants dress up in his kilts and march in playing his pipes. It got their attention.

Dental Supply Company

Being a dentist myself, I realized that one of the advantages I have is I can teach other dentists how to do it. I deal in cosmetic dentistry. A lot of dentists are hesitant to get into it, so we attacked the problem in two ways.

Number one, we had a clinical day where we had plastic teeth that dentists could practice on. We charged them \$250 for that, which just covered cost. Our sales doubled every two years because of that. We also did free evening seminars where we would teach dentists about tooth whitening.

Sales

Each year I pick my ten most valuable decision makers and take them to Friday night football, and we have dinner and we watch the game. We run raffles and I assure that each one wins something. I also give them a gift for their wives when they go home.

Tractors

We had problems getting our product well known. We put on a show called, "The Dancing Diggers," which is a group of tractors that do all sorts of things to music. They lift themselves 20 feet in the air and drive underneath each other. It's quite spectacular. We finished up with front pages in all of the newspapers and 20 invitations to do shows all around Australia. We spent close to \$10,000 and have close to \$50,000 value from it.

Nutrition

We ran some workshops. We invited four or five speakers, only one of them involved in the field that we are pushing to widen the appeal. We had speakers from overseas who are on the cutting edge of performance technology.

We previewed this with a video so people could see what these guys were all about. We got these guys on the line live so the audience could question them. That way they could get the most and best updated information in the world. It just cost us the phone call and a little for the guy's time.

Underwrite

We organized events where we would take junior staff away to the Hunter Valley and we would invite not only the junior staff or our clients, but our prospects also. The cross-pollination of the concept of what our clients were able to talk about not only gave us new clients, but also thanked the front line troops of our existing clients. Even if it didn't bring in many new clients, it sure cemented the relationships with our existing ones.

Attorney

We had a celebration for Labor Day. I offered a free helicopter ride of the harbor. I passed out 500 cards and picked out 100 phone calls and got ten customers.

Chiropractor

A number of years ago, I started a Customer Appreciation Day. It was a canned good drive for a charity combined with an open day where people could bring in a canned good and receive free treatment. In addition, new patients were seen at no charge.

The first time I did it I got 50 new patients, and that was equivalent to \$75,000 in revenue. A second event I did was to put on a community health fair in my office. I took in other professionals, got their mail list and did a mailing to all of them. That generated 200 people in our office and that generated between 15 and 20 new patients.

Retail, Collectables

One of the most exciting things we've done is called a "Village Gathering." Have you ever seen the little lit houses that go under the trees? It is one of the few things that men love. Remember the 4 x 8 boards with the Lionel trains?

We rented the recreation center in the town and we did everything we could to promote it. We let them know that there would be villages set up, there would be seminars, and they would have a chance to buy new product that was just being introduced. I spoke to a reporter from *The New York Times* and got them to come.

The article said it was just like Disneyland, because there were long lines to get in. 3,800 people came to the first one. We charged them \$5 apiece to come in. They got four things that they could not buy for the admission price. As collectors, it just flipped them out. We did quarter million dollars in sales that weekend

Furniture Store

When we get really nice pieces of furniture in, before someone has seen them we contact people that collect furniture in that area and we offer them a closed door look at it before it's available to the public.

Automotive Service Company

I won a customer service award for excellent service. The local newspaper had a write up about it. They made a mistake and put a photo of my service counter on the second page and below wrote an article that had nothing to do with the photo. The article was about the starving children in Africa. That generated so much interest, I was getting faxes and phone calls. I counted 65.

Clothing

You can do all kinds of things. I've known a lot of companies in the clothing field who sell 50% of their products to people who never come in. They just send them letters ('cause they have got a history of being high ticket customers) extending to them a chance at something that is limited production, limited offering, one of a kind, four of a kind... Tell them to buy it and if they don't like it you'll take it back. It's a really simple way to do it.

Designer Shoes

One client sold very expensive designer type shoes — \$500 pairs of shoes and \$500 handbags... Every time the buyer would go to New York, she took pictures of stuff that was too expensive to buy and stock. And they were very beautiful, but she couldn't possibly afford to stock a lot. We didn't have to buy the product until we already had a deposit and a confirmed order.

It was very simple. I had her go to the market and take pictures, and pull out of her database the people who had a tendency to buy the most expensive purses and shoes. I wrote great letters and gave them the exclusive chance to have one of a handful before they were purchased by other people in the store. She sold hundreds of thousands of dollars worth of shoes and got prepaid deposits before she ever had to buy them.

Winery

I have an interest in a winery. They make a very high grade, and they also make a medium commercial grade, all of which are of very high quality. We analyze that people buy the quality at the top end and they also buy good deals. They will pay any price for the quality because the quality is extraordinary. They also respond to the deals. The same people have two different buying patterns.

Car Dealer

BMW does things like pre-sales. They let them know before hand, and so does Mercedes. They announce the new offers. You reward and acknowledge, reward and acknowledge, reward and acknowledge your customers for their patronage, for their loyalty, for their friendship, for their faith, for being the force that has made your business possible and makes your purpose fulfilled.

Men's Wear

We actually closed our shop five days a week to customers. We open on Saturday to new customers, so the only way you can go in there is to go on Saturday morning and become a customer. We're in men's wear, shoes, clothing and it's very successful.

One fashion store would have a special pre-season sale every two months. They had alert just for their customers and they were genuine values.

Automotive

I've gotten people who were in businesses that would never have a sale... to have a sale. They talked about how much fun it would be to do something nice for their clients. So you never think gaskets would go on sale. We did a gasket sale one time just to invest in you – all kinds of fun things that yield all kinds of incredible results.

Designer

Every time I went to the mart ... New York, Italy and places like that ... I would come back and do a special offering just to my customers of things I'd done. They were very successful.

Computers

I have a number of computer companies we train that start doing special training offers that they don't do to the outside — things that are above and beyond. They charge for them, but they will be special values, special services they will do just for their customers that give them great enhanced ability to really benefit from their products.

Health Clubs

I have a health club that does private offers for special exercise programs once every six months to our clients. And it's like a very fabulous, intense workout that normally would be hundreds of dollars of training.

Furniture Store

We had a downstairs in our store, a big old basement that was not producing the sales per square foot we would have liked to see. We decided we would take a risk and expand a small line or rugs we had. So we took this downstairs and turned it into a rug gallery. Last year that gallery won the national award for the most innovative Capel Rug gallery in the whole nation and has some of the highest sales in the nation per square foot in that basement.

The promotion we did was to invite the President of Capel out. We had a special catered event from the restaurant next door, mailed an invitation only letter to our customers and had them come and spend a gala evening with us previewing these rugs before they went to the public.

Retail Jewelry Business

We sell fine jewelry, and we also buy used jewelry, antique jewelry and estate jewelry.

Twice a year we run an estate and antique jewelry sale. It's on a Saturday and a Sunday, and we generate as much business in those two days as we normally generate in three months. At the same time the customer is not confused when they come in during the week wondering whether the jewelry they are buying is new or used. We only sell new jewelry in the cases.

Retail Consulting To Stores

I had a store where the husband became very ill and the wife wanted to go out of business. The store is only eight hundred square feet. She was very concerned about getting out and getting clean. I suggested she had a going out of business sale, but first hold a preferred customer sale. She had 2500 names and we chose 500 preferred customers. The evening before we had 110 people come through with \$6000 in retail sales.

Women's Clothes Designer and Manufacturer

I have 50 sales women that work out of a warehouse, and we do home parties. I haven't done any marketing. I've got 10,000 names. We've been managing by crisis, and I can't wait to get home and try these things.

I just had a pre-sale. We phoned all the hostesses and had a preview sale with just our hostesses. We sold \$20,000 in one day.

I realized I didn't have many legs to my marketing, so we had the home parties and fund raisers. I had the girls start one-on-one sales, and that is helping. I also went and got myself an agent and designed a different line for the stores. She called last week and had sold \$100,000 worth of product in one week.

Signs

I have a client who is a sign shop. They were moving into a new market. One of the events they did was to have a special block party. They sent out invitations to every business within four blocks of their location. They normally stay open until 9 pm. They closed to the public from 5 to 9. They did barter deals with radio stations and restaurants, brought in food and everything else and just had one blast of a party.

Less than a year later they own their market place.

Consulting

This fall we are bringing together 30 of the major software and hardware manufacturers and are putting on an event where we have invited every CEO and vice-president of marketing and finance and manufacturing of all Fortune 500 Companies to an event. We're just organizing this thing and we anticipate 80 - 90% attendance.

Store

We started a festival in the fall and picked a charity in our neighborhood. We began small. They provided some manpower, had them do a joint promotion, and used it as an excuse to go to the community and get them to contribute some of the resources we needed to pull off an event called the “Scare Crow Festival.” We’d have pumpkin carving contests, the ugliest witch contest and it has turned into a huge fall carnival.

Last season we had a net check to the Utah Boy’s Ranch in excess of \$30,000 for those two days activities.

The goodwill in the neighborhood that has engendered from that, the image of that company, your business site where you hold that event – all of it takes on a noncommercial, non-business, good guy feel that is priceless.

We cannot buy that kind of a reputation.

Transportation

We do all the transportation for a company. If they have cargo flowing in, we do the transportation. We could make an offer to one of our good customers that we have a special rate and we’re offering it to you because you’re one of our best customers.

We could offer them for whatever time, “For your next shipment, we’re going to lower your rate by \$10 per cubic meter.” That would have the effect of saying to the customer “They are passing on the savings to me. When they get something special they are passing it on to me.” That’s not something people normally do in our business, so that would differentiate us.

Furnace Dealer

We have about 1400 ESA customers. Those are customers whose furnaces we clean twice a year, like a maintenance agreement. First thing I’m going to do is send my special customers a letter for a duct cleaning special.

Gun Shop

We had a special event where Smith and Wesson flew in the world’s fastest revolver shooter. What we did is to have a reception for him and sent out a special invitation to all of our members. They got to come out and have dinner with him and talk with him and have him on a

very limited basis, whereas the next day we had huge crowds, and it wasn't such a one on one. What it really did was to make our members feel special.

* * * *

The Best Programs Recognize the Customer as Someone Special

A lot of the methods I'm going to recommend have a hidden, added benefit to them. They distinguish and recognize your customers or your clients as being very special.

When you run special events (such as closed door sales) you help show those customers how special they really are to you. This is really easy, fun, and simple to do.

I have a women's fashion store that runs a special, preseason sale four times a year at my direction. We send an announcement out to our best customers telling them that we've just gotten in the new season's line; we haven't put them on the racks yet; and we're going to put them on the racks before the season begins. For one weekend after hours they are invited to come in.

We sell tens of thousands of dollars of clothing in this period. These customers love being given the opportunity to purchase great fashions ahead of the rest of the market, and the sales have become something that all the best customers look forward to with a passion four times a year.

I've got a good friend who's an interior designer. I worked with him a few years ago and started a process that he's continued doing ever since, and it's very successful.

Twice a year he takes his demos, floor models, and samples and offers them for sale to his best clients. He sends a wonderful, wonderful announcement out. He moves the merchandise to a wonderful lush location, gets a wonderful caterer to bring hors d'oeuvres, he gets a group of musicians to don old English attire and stroll the grounds playing melodic songs... It has become a superb event that people fight for the chance to attend.

And while he's having all this fun, my friend is making over \$200,000 on every promotion.

I have a jewelry client who holds five private sales a year. He invites his best customers and he offers two different things: special new designs and items, and custom designing. The sales generate over \$500,000 a year to his treasury. They're all glorious catered affairs where everybody dresses up. He has music. He has models. He shows millions of dollars worth of jewelry. There are armed guards. The press is there. It's an incredible experience.

And one of the keys to making special events successful is to turn them into glorious, incomparable experiences – fun, joyous events that everybody wants to be part of.

The events don't always have to be exciting, but they have to be always advantageous in some manner.

For example: A famous computer company I worked with made an extra \$300,000 last Christmas by doing a mailing to a segment of their best customers offering a special training program that customer could come to for half price if they brought along with them a full-paying attendee. They had never done anything like that before.

That simple promotion generated \$300,000 in increased profits; not sales, but profits, just for doing it. Now it has become an annual Christmas event.

So ask yourself this question: What different kinds of promotions or events or opportunities could I offer my existing customers or clients that would make them feel special...that would give them a unique advantage or experience that I could offer to them ahead of everyone else in the market place? There's no business or professional practice I've looked at that couldn't do something like this.

I have an ophthalmologist that has an annual Christmas party for all his past patients. Everyone is invited to bring with them at least two friends who might be interested in his services. His last party had 600 people attending. He gets millions of dollars in business. He has a very large clinic. He gets millions of dollars in business from these events.

You don't have to operate at that high level. Whatever size business or practice you run, you have customers or clients, don't you? You owe it to them to acknowledge them and make them feel special, and if you do it with special promotions and events you can turn it into a very profitable experience for everyone involved.

A Conversation with Fran Tarkenton

I recently had a chat with a great friend of mine, Fran Tarkenton. Fran is a master of marketing, having built several businesses since his early career as a pro athlete. Let me share our conversation with you:

FRAN TARKENTON: All right, let me ask you this: How about special events to get people to come back into my store?

JAY: Special events or promotions are good.

FRAN: If I had a wine store, wouldn't it be good if I said to the person who just bought two bottles of wine, "By the way, next Saturday night we're going to have a wine tasting here and we're going to look at some California Chardonnays. Would you like to come?"

JAY: You're absolutely right. And, Fran, at the same time, you've uncovered one of the most wonderful secrets to everything I'm about, and that is that whoever you are, you want to turn your enterprise or your practice into a continuous experience and event.

The more appealing and fun, or fascinating, or stimulating, or intriguing, or unpredictable, on the positive side it is to do business with you, the more often people will come back, or have your people come back. And that should be ingrained in your master selling strategy.

So regarding your comment, instead of saying, "I'm going to have a wine tasting," what you should say is, "We have wine tastings every Wednesday. We have people from the wine companies every Thursday. We have discount sales every Friday."

You should just constantly have events – and that philosophy applies to everybody. That's a retail example we're talking about, but you could be a manufacturer, and you could have seminars in certain sites. You can have manufacturers of other products come in on different days. You can have traveling road shows.

But the key here is – and you uncovered it masterfully – everyone should do everything they can to make dealing with their firm, their enterprise, a continually positive and fascinating experience.

FRAN: OK. What I believe you're telling me is, the more times I can get people to come into my store, the better chance of building a relationship with them I will have. Is that true if I build relationship...trust...loyalty, which in all the studies that I do and have done, means more revenue, and more profit...?

JAY: Everybody wants to feel and be part of something special and enjoyable – as enjoyable as you can make it, based on the kind of product or service you sell. The more you make people special, the more special you are to them.

The key to all business – and we're talking about retail, but it's very important to me that we broaden it because this applies to wholesale, service, technical, manufacturing, aerospace... It's all about relationships.

What people don't realize is that a customer is not just a "widget buyer." It's a man or a woman, with hopes, dreams, fears, hobbies, problems, excitements, agonies, ecstasies, children... And the more you recognize and respect and acknowledge those issues, the tighter the bond, the tighter the trust, the more substantial the transaction, and the more frequent the transaction.

Set Yourself Apart From Competitors

One of my clients gives everyone a gifts – a free car wash – on their birthday and the Fourth of July. Ask yourself how you can acknowledge your customers at special times and in a way that favorably distinguishes and differentiates your business or practice above all the competition.

Following are some examples of what some of my clients do:

- A cosmetic surgeon throws an incredible annual Memorial Day and Christmas party for all of his past clients and their friends. The last one drew nearly 1,000 people. Half were referrals invited as guests of my client's past patients.
- My bank rents a prestigious art museum in Pasadena, CA, once a year for their top clients and holds a truly wonderful dinner and "Art Appreciation Night."

- A leading clothing store would close down the entire store one Saturday a year, rope off the parking lot and hold a 12-hour Western barbecue for their customers and their customers' friends – and 2,000 people would show up!

What special events or activities can you start sponsoring as a regular, annual or semi-annual aspect of your business... something that so distinguishes you above your competitors that it becomes no contest?

If your business or profession deals with an issue that's far too serious to lend itself to fun, another idea is adapting or adopting. Maybe a Christmas party isn't appropriate, but perhaps a Christmas remembrance process is. Maybe you pay to plant a tree or place a plaque in a forest or in protected wetlands. I've seen funeral directors hold memorials for deceased loved ones, and I've bankruptcy attorneys play the role of Santa Claus for financially impaired clients and their children.

Believe me, if you'll allow your mind to travel beyond the narrow limit of what you have been doing, you'll come up with some wonderful ways to distinguish your customers or clients. That's what you really end up doing when you hold any kind of special event for them. You respect and distinguish each and every one of them, their families or businesses, as being truly important and special to you.

A Conversation with Chet Holmes

Here's another great idea that an associate of mine, Chet Holmes, shared at one of our seminars. It's not as hard to produce a truly extraordinary event as you might think!

Chet: We put on a movie premier for 200 doctors – you remember this?

Jay: Oh, of course.

Chet: We got Sony Pictures to donate one of their movies to 200 doctors.

If you want to do a big PR event for your company, and you put on something that is self-serving, like – if you just do a movie premier, it's not going to do much for you. But if you donate the proceeds to charity you get covered by the press. You get other people to donate all kinds of things. You get the radio stations to give you coverage. You get newspaper coverage...

So we found 200 doctors in 200 cities, and we went to Sony Pictures and we said, “How’d you like to have a monster publicity campaign in 200 major cities across America?” And they said, “How do we do this?” “Well we’re going to put 200 companies – 200 high-powered doctors’ offices to work promoting the hell out of your movie. And you won’t have to pay anything. We’ll pay for everything.”

So then the doctors each charge \$20 a ticket, because it’s going for charity. Normally a movie is, what? \$8.50, or something.

It can be any kind of charity event. You get your best buyer to them... And in the case of these doctors, they were trying to get their “Dream 100” (your very best prospects) in their community. So this gave them superior access to call people up and say, “We’re having a Hollywood-style movie premier here in Dallas.”

And by the way, the guy in Dallas got the Dallas Cowboy Cheerleaders to come and dance at his event for free. I mean, it was amazing. They got newspaper coverage, and TV coverage, and they got interviewed on television... And he charged \$20 a ticket. He took the cost of promoting the event off the top – it cost him nothing – and gave the rest to charity. So he didn’t make anything...except he was on TV, he was in the newspapers, and on and on. And we got Sony because of the power of using the number of 200 cities.

One guy got a running candidate for Vice President of the United States to come to his event. So it was just this huge success, and a great PR event for all of you guys, if you – yes?

Participant: Was there any relevance between the picture and the...?

Chet: No. The picture was called, “Dance With Me,” starring Vanessa Williams, which was a little movie, didn’t do well – in fact, the only money it made was probably in the 200 cities where we promoted it. But you should have heard the President of Sony pitching the hell out of that movie, like it was the best thing in the world. He got these doctors all psyched up.

But you know, when you go to a premier it’s kind of exciting, and so the audiences that did see it kind of liked it. At the beginning the doctor would get up and make a little “Welcome everyone...” and talk about the charity that the money was going to go for.

So it served the charity, it served the doctor, it served the movie theater, and everybody who went there got a great event, because they had hors d'oeuvres, before or after, I can't remember which. Most of them had some kind of dance event around the dance theme. It was a wonderful idea.

Chapter Five: Marketing Your Unused Assets

People want to know how to pick up marketing assets cheap. Look at everybody else doing what you're doing who may not be doing it as happily, successfully or profitably.

Contact them about allowing you to incorporate their customers into your business, and pay them no fixed acquisition, but instead a variable based on the sales that come in.

In other words, let's say you're a dry cleaner and I'm a dry cleaner, and you're many times more successful than I am. I'm struggling. I have my dry cleaner five blocks from yours.

I'm struggling, and I can't even make much of a living because I've got such overhead, such rent and equipment and salaries... but I've got let's say 2,000 customers. But those 2,000 customers just barely pay my \$5,000 rent and my \$10,000 overhead, and I'm drawing maybe \$3,000 salary from it.

You go to me and say, "Look, Jay, let me take your customers and incorporate them into my business. I will pay you 25% of the profit — or even of the gross from them, for as long as they remain my customers. You can sell your equipment off. I might even be willing to buy some. You can close down your store, and if you can't get out of the lease you can have somebody sublease it and just pay the difference."

"You can stop worrying about those clients. You can liberate yourself to find a new career. You have no overhead. You'll have no rent (or just a nominal rent if you have to subsidize the rent for somebody who would take over from you until the lease expires).

And if I give you 25% of the gross but you have no overhead, you'll make more than you're making right now keeping 100%, and working hard — and you'll have no liability. All you have to do is sit around and be a goodwill ambassador for me with those customers. And in fact, if you want to go out and bring me more customers, I'll give you 25% of every one of those."

That sounds pretty remarkable, doesn't it? I've done it 10 or 15 times over the years.

Let me give you a couple more.

What is one big mistake people make in a real competitive industry? I think the biggest mistake people make is they have a tendency to panic. They get very, very, very worried when they're in a commodity business and competitors try to sell the same commodity for less. Or sometimes big interlopers come into town and they get really reactive and start feeling depressed and hopeless.

I always try to get my clients to remain calm, take a deep breath, step back and figure out how we can find a niche that the competition hasn't attacked or addressed or identified.

Then, number two, how can we create preemptive or proprietary status to our product or service by combining it differently, making it different, adding something to the transaction that nobody else does, or taking it to an application nobody else does? That's pretty simple.

Make an Inventory of Your “Hidden” Assets

Let me give you one last one that's really neat. Assets. People don't realize all the assets they have. So let me go through a quick mental inventory of your hidden assets.

Any ads you used to use, or sales letters you used to use that worked, you can either use again or you could sell, rent or license to other people outside of your direct competitive area, or other people in very similar but non-competitive fields.

Any techniques you have mastered that get greater results, greater sales per customer, greater turn of your inventory, greater productivity in your plant, lower levels of waste or of breakage, lower levels of repair, higher revenue from service... anything like that you can take and you can sell to anybody else.

Your customers are an incredible, overlooked asset who you can use to sell more of your product or introduce other people's products. Your distributive channels... your employees... your customers, your good satisfied customers...

If you develop a strategic and powerful, referral-generating, formalized program, every customer or client should be able to get you one to three additional customers or clients in the next three years.

It's a very fascinating, very powerful and very interesting concept because you've got all these really wonderful ways — without spending money, time or effort — to get people to achieve so much for you. You have your customers be your tireless legions of sales people.

Use Your Competitors' Resources

Most businesses and professions deal with a very large number of prospects, of inquiries or of leads that come to them. Most of those leads, prospects, inquiries do not get converted to sales, to customers, to clients.

It costs businesses and professions a fortune, when you really look at it, to generate an inquiry or lead. Perhaps you run Yellow Page advertising... perhaps you sent out letters... perhaps you give speeches at industry sessions. All those activities took emotional capital, human capital, time and investment.

When leads make themselves known to you — call on you, write to you — those people cost you real money to acquire and identify. If a business only converts a fraction of a fraction of the number of leads or prospects that come to them, you can actually do your competitor a profit center favor by contacting him or her and making a proposition.

If they would send to you or give you all the names, the addresses and the phone numbers of the people who come to them that they don't sell — of the unconverted leads, the unsold prospects, the unconverted inquiries — there is an excellent chance you will be able to convert a large portion of those into active customers for you.

How can I say that? Simple!

People don't inquire about products and services because they're not interested. They're frequently super-interested. But what happens is the companies or the professionals they contact turn them off. Either they turn them off by being unreceptive, or by being indifferent to their immediate wants.

Sell Your Unconverted Leads to Competitors

People don't go to the time and the effort in today's busy and ambivalent world to contact companies or professionals seeking information about their services unless they have a high level relative interest.

Once I made a company a small fortune by getting them to sell their unconverted leads to their competitors. They were in the office products business. They generated leads from direct mailing. They would send 1,000 letters out. Every time they sent 1,000 letters out it cost them \$1 a letter, or \$1,000 to send out 1,000 letters. They would get 5% return, or 50 responses or inquiries or leads from every letter they sent out.

Of the 50 leads they received, 10% or 5% would turn into customers for copiers, shredders, and various office products. 45 of the 50 would not convert. The company would just throw them away.

I stopped them and said, "Don't you realize, of the \$1,000 you're spending to get the 50 inquiries, \$900 of that is being spent on the 45 who don't convert?" Then I pointed out that those 45 people who didn't buy, but still had inquired, took the time and the effort to extend themselves. Probably the reason they didn't buy had nothing to do with their level of interest or their capacity to buy. It had rather to do with the fact that something about the response they got from the company turned them off.

In other words, either the people they talked to are grated negatively against them... or the product they were inquiring about didn't serve their needs adequately... or it didn't offer all the advantages or all the features... or it offered too many features for their need — or it was perfect, but the terms that were made available weren't adequate and flexible enough, that they could take advantage.

What's my point?

It's simply this: Of those 45 people who didn't buy, if you put them in touch with companies who have more nurturous salespeople, more flexible payment terms, more or less features — meaning, depending on what they need, a larger or a smaller performance capacity... you have an excellent opportunity to sell them.

My client grudgingly agreed to an experiment.

I got him to let me contact two of his competitors — companies that had more or less sophisticated equipment and had very generous purchase terms, so they were very, very attractive to customers. My client let me introduce those unconverted leads to his two competitors on the basis that the competitors agreed to pay us one half, 50%, of the profits on any sales that generated from the leads we gave them.

Guess what happened? We ended making more money off the people we didn't initially sell than we made on the ones that we actually did.

But that's only one example.

I had another company I worked with that sold a \$10,000 training programs to people who wanted to learn how to become property valuation consultants. These are men and women who work with commercial property owners, helping them go to tax assessors and reduce the tax bill on their properties.

This client basically spent about \$100,000 a month. He got about 1,000 responses from that \$100,000 of men and women who were interested in that training.

He sold 100 a \$10,000 training program. Now that's \$1 million a month — very generous. But he wasted the nine hundred respondents who didn't convert.

I got him to let me write a letter that he signed to all the respondents who didn't convert — the 900 out of the 1,000 who didn't buy — telling them how glad he was they sought the information he originally offered, and that he was troubled that they didn't follow through because he knew being independent and owning your own enterprise was the only way to financial security. And if his training program wasn't what they wanted, he felt honor-bound to introduce them to other opportunities that might fill their needs.

We made arrangements with two other training companies who had related but not competitive programs. We made those competitors — and ourselves — hundreds of thousands of dollars a month by reactivating dead leads — by realizing our competitors could be our allies.

Licensing Your Products and Services

If you've developed advertising, promotion, merchandising, sales pitches or inventory control techniques that are superior to the norm in the industry, you should be able to sell a license to hundreds of related and unrelated firms.

It only requires the ability to market an intangible (your concept) and include it with the perception of value.

I've resold early renewal concepts over and over again, earning over \$300,000 for the same one. I've licensed old ads for \$15,000 plus a royalty. I've resold mailing pieces for variable fees and earned \$30,000 in found money. I've bought ads for \$1,000 and resold them for \$10,000.

What can you sell for a fee plus a percentage of the profits or sales or savings?

How To License Your Own Concepts

Here's an illustration of how to license your own concepts — advertising upselling techniques, cost saving ideas — whatever. You go to Mr. Business Owner and say, "I have an advertising technique that will outproduce the one you are currently using by 20%-30%. I'll let you use it for a fee that is much less than the amount it will make you in profits and you only have to pay me the fee after the technique has proven itself."

You need to take a different viewpoint on what your assets are when employing this strategy.

Besides the more obvious assets such as personnel or your customer list, you also have ads you no longer use, techniques you have mastered, ideas for productivity, cost-saving or sales strategies that you can license and sell to other people.

Your obvious assets are on your balance sheet:

- your building
- land

- machinery and equipment
- vehicles
- inventory
- materials
- cash in the bank
- receivables
- And so on

But to get ahead, focus on the hidden assets that you have:

- your customers (active and inactive)
- your prospects (whether you identify them individually or not)
- your sales resources — a field sales force, an inside telephone sales force, sales clerks
- ...and your advertising.

You probably have a strong franchise — the image or position your company has in the marketplace.

Other intangible assets include relationships you've cultivated with important customers, perhaps the ironclad hold your company has on the biggest department. These relationships probably took years to cultivate and solidify. Equally as valuable are strong relationships with vendors, suppliers or advertising media.

Other assets you've probably failed to identify include proprietary techniques you have used successfully to build your business. These include:

- methods of closing sales and of solicitation
- promotional techniques
- advertising concepts
- copy
- campaigns and special packages of products or services in unique formats that are more profitable or appealing than those used by competitors.

Even more abstract, but equally valuable, are key employees, salespeople, manufacturing and service managers.

All these overlooked assets can be turned into real cash flow, year after year and that cash flow can come from directions you never thought of; just by recognizing that you have these types of abstract assets will give you new ideas to make money.

Here's a twist wherein you educate others on my concepts:

Market Ideas You've Learned Here To Your Industry Or Local Businesses

If you are self-employed, unemployed or retired, take the marketing ideas you learn from me to the most likely business prospects in your area. Before revealing any of these ideas, ask them, "If I bring you a dollar you never before had, will you give me back a quarter?"

Almost any business will accept that concept. Have them sign a simple non-competitive, confidential intellectual property agreement acknowledging that these ideas are your property and that as long as they use your ideas they will pay you X% of the gross.

After getting the signed agreement, reveal the ideas and implement them. It'd take a few weeks or months before you see the money roll in, but if you apply a few of my ideas, you should make tens of thousands of dollars.

If you work for someone else, identify specific techniques and marketing concepts that could be applied to your current employer. Once you've identified the most appropriate concepts, tell your employer you'd like to set up a separate profit center on your own time to apply these techniques.

Ask for either a percentage of the gross sales, the gross profit or the net profit, for initiating and managing the profit center. If you do it on your own time, you can ask for a percentage on top of your salary.

Chapter Six:

Buying Other Businesses

The Dealmaker: The Philosophy Of Putting Deals Together

[In this excerpt originally from *The Dealmaker*, Larry Williams discusses some of the important steps to take.]

In one year, I've worked with well over 150 people who want to get into business. Virtually all of the problems they're having, the barriers between them and getting into business, stem from one of two areas. I'm certain you've guessed it.

The number one problem most entrepreneurs have is that they simply don't have the cash to get the business going. Or they have a little business, but not enough cash to take it to the next level of success they are seeking.

Know Your Business Purpose

The other problem people have is that they don't know what business to get into and are floundering. They don't have a particular skill or unique product of their own to develop.

All they know is they want to be in business ... what *type* of business doesn't seem to matter. They just want to be in business on their own.

To an extent, these people experience the same problem as those without enough money. If they had enough money, they could buy IBM or General Motors and run it — or they could at least buy the neighborhood Dairy Queen. But primarily, their problem is they don't have a business and they don't know how to go about getting one. Why? Because they don't have a product to begin working with.

In this section, I want to talk about a unique and fascinating way to enable you to have your own business before the end of the month. I don't care if you have \$10 in your pocket or \$10,000. I don't care if you have a strong business background or not. The plan I'm about to

show you will enable you to run your own business in a matter of weeks if you simply have the desire, a little chutzpah, and a lot of drive and ambition.

Are You Ambitious?

My experience shows that most people don't possess those qualities mentioned above. If you aren't one of these self-starting, self-reliant people, then it may well be that not only is this particular section not for you, but business isn't for you.

Recently I was working with a young man, trying to get him mainlined into a business. We had found the perfect business for his area — one that all our studies showed would be highly profitable. But since he was not familiar with the background of that business, he ultimately got cold feet on the idea and decided not to do it.

Ironically enough, there still exists in his particular community an excellent business opportunity. What stands between him and taking advantage of that opportunity has got nothing to do with money. It is simply in his head, in his own perception of himself. He thinks that all businesspeople know everything about their business.

The fact that he didn't know everything about this particular business is what kept him from starting it.

In fact, very few businesspeople know "everything" about their business. When they're getting things started, most people are in a learning curve process. It's that curve which keeps many people from entering the exciting and wonderful world of business. They lack the confidence to get up and running on their own, or feel they must have a tremendous in-depth body of knowledge about a particular business before they can begin.

Finding Your Business

All you really need to do is start looking through the classified ads of your local daily newspaper. I don't care if you live in Los Angeles, California; Norman, Oklahoma; West Nyack, New York; or East Tea Cup, Kansas.

If you will take the time to study the classified ads in your local newspapers (especially the Sunday edition), you are going to find businesses for sale. They're listed under the "business opportunity" section.

Okay. I know what you're thinking. "Williams now wants me to go out and buy one of these businesses so I can have my own business by the end of the month. Big deal, I knew that myself." Well, that's not the big deal. The big deal here is to show how you can start running one of those businesses without putting up a cent. That's right, not one single, cotton-pickin' penny of your own money is going to go into the business.

The history of business opportunity advertising is that most businesses take a long time to sell. Even then, only infrequently do owners get the price they want. Usually, the seller of the business takes a beating when they sell their business, or it doesn't sell at all.

Don't take my word for it. Just go back and look at the classified ads in your newspaper at your local library during the last year, and see how many of those ads are repeated week after week after week, telling you that those businesses simply have not sold.

Herein lies the key to your getting control of one of those businesses.

What I want you to do is notice the businesses for sale in your area for the last month. You will see that one, if not more, of those businesses have been listed for sale week in and week out in your local newspaper, shoppers, or wherever businesses are sold in your area.

For whatever reason, the person who wants to sell the business hasn't been able to sell it.

Now, here's how you can start running that business ... by the end of this month ... without taking a penny out of your own pocket

The Reason Those Businesses are for Sale

There's one — and only one — true reason why any business is up for sale. It is not making as much money as the owner would like it to make.

The owner may tell the potential buyer that they're selling it because they want to move south because their health is bad or whatever, but if the business was making scads of money,

their health would be good enough to sit there to rake in the money. It wouldn't be worth their while to move to Florida for the winter.

Money is the great equalizer. If there's enough money, people will keep the doors open.

If there isn't enough money, or the amount of money is offset by the inconveniences of running the business, such as cold winters, family problems, etc., the businesses goes up for sale.

Once you develop your list of the businesses that are for sale, I want you to meet with the owners of those businesses, sit down, go over the books, and talk with them about buying the business. Learn everything you can from them about the business and act as a bona fide purchaser. You may be... and in a true sense, you are.

The first phase of the operation is to simply meet with the people, talk with them as much as you can about the business, but make no offers.

Next, select the two businesses you would most like to be the owner or manager of. Which business best suits your natural inclinations? Which best suits your talents and abilities? Once you've done that, it's time to go back to the owner of the business with a conversation that should go as follows:

“Mr. Jones, this is Bill Smith, I looked at your business a while ago, remember?”

“Yes.”

“Has the business sold yet?”

“No, we've got some people looking at it.”

“Well, good, I'm glad it hasn't sold yet. I suppose one of the reasons you want to sell your business is that it's not making enough profit for you, considering the alternatives. Would that be correct?”

“Well, that's about right.”

“I think a lot of the reasons no one has bought your business yet is they’re afraid to risk the kind of money they’d have to put down to buy the business, against what they see as the profit potential. That’s pretty much how I feel about it myself, too.”

You don’t say anything at this point. Wait until the seller says something. What, it doesn’t matter, but wait until they say something. Then you come back with this line:

“I’ll tell you one thing about your business. I could make it more productive — I could make it a lot more profitable if I were running it. It would take a lot of hard work and long hours to do it, but I know what needs to be done to turn your business around to make it more profitable.

“I’d like to come over and talk with you about an arrangement that might be beneficial to both of us. Can you tell me when a good time to see you would be?”

At this point all you’ve done is set up a time period for you to see the person who has the business for sale — plus you have piqued their interest, because you’ve told them exactly what they wanted to hear — that their business is better than other people have been telling them it is and that you are interested in their business.

The Proposal

What you have to do next is have the meeting with the person who has the business for sale, wherein you give them this basic proposal:

“Look, I’ve looked at all the businesses for sale in the area. There are some real turkeys out there for sale, and there are some that aren’t too bad. I happen to like your business better than any of the others I’ve looked at. I think I’m the type of person who has the talents to make it go, but to be perfectly frank with you, it’s a risky proposition.

“What I’d like to do is make you a proposition that isn’t risky... not risky to you, and not risky to me. You see, as I said on the telephone to you, I really do think I could increase the profits of your business. I think I could make this business 35% to 40% more profitable in the next 12 months.

“If the business were making that much more money, I suppose you’d keep it, wouldn’t you? Or if you wanted to sell it, the business would be worth more, wouldn’t it?

“What I would like to do is to have you give me the opportunity to run your business for you. I’ll make the business 35% to 40% more productive during the next 12 months. At that time you can decide if you want to sell it to me or to someone else. In any event, this is really a risk-free offer for you, because I’ll run your business for you, yet you can monitor it on a daily or weekly basis. After all, you want to make certain the business is being run correctly.

“Give me a little leeway, of course, but let me run and manage the business. That way, it gets you out of the place and gets me running it with my new energy to see if we can’t get those profits up even higher.

“It’s riskless to me because while I want to be paid a fair salary for what I’m doing for you. By increasing your sales, I don’t have to plunk down a big chunk of change right now to see if this is, in fact, the business I should buy.

“A few months from now we should both have a better feel for whether I’m the guy to run the business for you or not.

“For now, we both stand to win here. You’ve got a business. I’d like to run a business. I get to run your business; you’d like increased sales and profits. I can make those increased sales and profits for you. I think it’s just a natural combination.”

As you can see, what we’ve done here is “network” you and your talents with a person who has a business for sale, instead of your buying the business.

Remember, businesses don’t sell that easily. You simply say to the person:

“Look, I see the potential in your business. You run it. Hire me, pay me a fee or salary. It really doesn’t matter, whichever you prefer, based on your own tax situation.”

Let the business owner have the opportunity to fire you at their will. Let it be a short-term contract. Don’t try to tie them up to any long-term contract.

What you have to do next is produce. You've got to turn the business around from being a so-so business to a profitable business so the person who, in fact, owns the business will be willing to continue having you run the business as its manager.

If you want to become more than a manager, I believe you should be able to purchase the business on very good terms, since you will have developed the unique and warm relationship with the person whose business you have turned around.

How Do You Turn the Business Around?

There's no magical answer that's going to work for all businesses, but it basically gets down to two points. The first one is promotion: the reason most businesses are faltering is that they are not being adequately promoted. I'm confident that you have a sense of promotion, that you understand how important it is to promote, to market, to sell your product or services.

The next most important step in making money in the business is to make certain that outgo is less than or equals income. In short, you must first determine how much money comes into the company... what its gross sales are ... and then cut back all expenditures to the level that enables you to make a profit.

Basically, you need to look at how much money is coming in, look at the expenses, and cut the expenses back to leave room for profit after all expenses.

There you have it — a perfect way for you to take over the operation of managing a business without risking a cent out of your own pocket.

Incidentally, this technique is not just for entrepreneurs. It is an ideal way for someone who is out of work to get a job. The adept entrepreneur will convert this into a business by simply selling their services out to two, three, or four businesses.

They go to these businesses that are for sale saying, "Look, I can turn your business around. I've got a system, a method, a program of making your business more successful. If you'll pay me X dollars a month. I'll turn your business around and make it at least 20% more profitable for you during the next 12 months. If you simply put me in charge, you can terminate my employment contract anytime you wish."

Hopefully you get the gist of all this. Currently someone has a business, but it's not doing as well as they would like. You come in, pump it up, doing the things that need to be done to turn it around, and get compensated.

Accordingly, your compensation should take the form of direct compensation from the increase in sales with the opportunity of allowing you to buy the business at a better price or more advantageous terms.

I am certain that any business owner will be much more inclined to sell their business to you with no money down than to some Joe walking off the street. After all, you've made money for them. You developed their business.

Or, simply develop a string of businesses that you manage or consult to, each one paying you \$1000 or more a month depending on your involvement.

Putting Deals Together

The smart dealmaker knows that there are thousands of deals that can be put together. The question is: Will the deal you put together be profitable, or a financial anchor that ties you down from moving on to other situations?

My experience has shown that the most critical element of a successful deal is to have a good cash flow already in existence, or the ability to have an immediate cash flow.

The problem with most real estate deals recently has been that there is no cash flow. The property is a good buy, but there is not enough cash to justify the payments you have to make for the purchases. Therefore, you end up in a negative cash drain on yourself. Smart dealmakers know that is not good.

People will show you all sorts of figures about how good the deal looks, but you have got to go immediately to the bottom line. Can you structure it so that there is enough cash to pay off the debt that you assume in taking over the proposition? If there is, you have a potentially good deal. If not, walk away. There are plenty of other deals out there.

Where You Find Good Deals

Once you've put a few deals together, you will find that they literally walk in your door. People hear of your reputation and then the problem is not finding them but turning them down.

In the meantime, there are several ways you can start putting deals together.

One of the best types of businesses to buy or get into is a "problem situation" — a problem that is not so gargantuan that you can't turn it around.

This usually means that the problem is not the deal, but the dealmakers *behind* the deal. If they are strapped for cash and in financial problems, they've got to relinquish their deal regardless of how good it is or has been to them. I don't particularly like deals that "should work in the future." I like deals that currently work, but the people behind them have got themselves into problems. That is the kind of deal that really attracts my attention.

One of the best ways to find deals and dealmakers that are in trouble is to have good contacts with your bank and with the local office of the Small Business Administration.

Over the years, the SBA has gotten itself into some real problems. They have made some very good loans that have helped some very good businesses. They have also made some loans to businesses that have gone bad, and they've made some loans to businesses where the owners have gotten into trouble. Hence, the SBA has a good many problem loans they would like to get off the books.

My experience has shown that at times the SBA people will at least point you in the right direction, if not take you there themselves. If they can do something to clean up a bad loan on their books, they are more than willing to do it.

You, of course, have to be the dealmaker with enough financial commitment and experience behind you that they are willing to talk with you. The SBA is the best single source of potential good deals that I know of. If the SBA has guaranteed a loan on what you consider to be a good business, the chances are that it is, in fact, a good deal that has just run into some problems, which you can correct.

Banks also make bad loans, and you can talk to bank officers about deals that may be profitable. This isn't as ideal as the Small Business Administration because so many bank loans are personal loans and have nothing to do with business.

I would also suggest combing through the classified ad sections of your Sunday newspapers to look for businesses that are being sold. Of course, talk to realtors or others who buy and sell businesses in your area. Later on I'll tell you how to get the best deals, but at least this is where you start looking, and start building your reputation.

Don't Do It If You Can't Buy Low

As I mentioned, there are hundreds of deals to put together. If you can't get it at an attractive price to you, then don't buy it — regardless of how much you want the business, or status, or the potential way out in the future.

Don't purchase a business if you can't get it on your terms. An intelligent dealmaker is not afraid to walk away from deals. You don't have to put anything together. After all, the position you're taking is really one of a savior. You are finding people or businesses that have major problems, and you are literally their salvation.

Most of the people with whom you discuss a deal run themselves into the ground if they can't consummate the deal with you. You have to be careful not to be sucked down into their negative energy. Since they usually will be hanging on to the last few inches of a rope, they will tell you all sorts of things, most of which are not true. As long as they are at the end of the rope, you should take advantage of that dealing posture.

Obviously, it is not correct to intimidate or take immoral advantage of someone in such a situation. Nonetheless, business is business and you have got to get the most advantageous price to keep the business running.

The Dealmaker As Strategist

It is very important that you understand the psychological position of the person whose business you are trying to purchase. Since we will focus most of our attention — not all — on businesses that are in trouble, you will be dealing with people who are up against the wall.

I have found that these people tend to have an unrealistic view of the world. They believe that one more prayer, or one more sales call, or just one more day, and someone will come and solve all of their problems, and leave them with a great deal of cash with which to walk away from their disaster.

You and I know that doesn't occur. They cannot conceptualize that. Thus, you will get run around and stalled time after time. This type of person simply does not want to let go of the business, especially if it has been a good deal for him in the past.

Of course, he must ultimately face the wall of reality coming from the other credit demands that are being placed upon him. Usually, they will not make the decision until "push comes to shove." If you can implement the push or the shove, all the better. Be fully aware that your deal may not come together until the eleventh hour. It is not unusual for that to occur at all.

Establishing Yourself As A Dealmaker

Nothing is more important to the dealmaker than the aura he has about himself. It's very difficult to put serious deals together if people don't treat you in a serious fashion.

That is one of the reasons why businessmen and dealmakers through the years have wanted to live in the right house in the right part of town. That's why we drive the "right" car, wear the right types of clothes — which may be a Brooks Brothers suit or tacky Levis, with a \$250 pair of Bally shoes. It is important that, as you begin your deal making, you establish yourself in the correct fashion.

There are two types of images the successful dealmaker will concern himself with. The first is his local image in his own community, and the second is people outside of his community.

Of course, it will depend on what deals you're putting together, but I am assuming most of you will have deals you will do in your backyard and others that will be done with people throughout the country.

People in your own backyard will make their own judgments of you based on the way you treat them and what your general reputation is in town.

That is why it's so terribly important that your reputation is good and that you treat people fairly and are known as a person whose handshake is his word. You must be a person whom others can count on, and a person who is involved in community activity.

But when a stranger meets you for the first time, or meets your business for the first time, he doesn't know what to think of you. All the trappings of a Rolls Royce and plush carpets may not mean anything to him.

How To Make A Lasting Impression

The easiest way to make a lasting impression on business people outside of your area, in my opinion, is to have a membership in your local Chamber of Commerce. There's nothing that communicates that you are an established business more directly than saying that you are a member of the Chamber of Commerce of XYZ town.

You can use this line: "Member of Ponca City, Oklahoma's Chamber of Commerce" on all of your letterheads, your mailing pieces, and anything else that publicly communicates to people outside of your area. This is a way of letting them know that you are a reputable person.

Frankly, I'm very surprised that hucksters have not realized this. People generally accept that if you are a member of the Chamber of Commerce, you are a decent person. If you have any image problem at all, or want to make certain that people accept you immediately, let them know you are a member of your Chamber of Commerce.

Further, for what it's worth. I suggest that you not be just a paying member of the Chamber of Commerce, but also an active participant. That will help you in a variety of ways. Most importantly, it will help your community, but certainly, when people do check up on you with your local Chamber of Commerce, they will know who you are and that will add authenticity, which is what you are trying to establish.

Regarding Your Reputation

Your reputation must be impeccable. You can jack people around as much as you want to get the price you want, but once you make a commitment or agreement, you must keep your word — whether it is the purchase price, or the financing, or whatever.

If people learn that you are not a person who keeps his agreements, it will catch up with you later on and you will run into lots of problems making deals. You will be known as the dealmaker not to deal with.

Part of an impeccable reputation is in letting people know that you do get your deals put together. We all have deals that don't come together and it is best not to talk about a deal until it's really finalized. Otherwise people will say that you are spinning your wheels and they won't be interested in taking their deals to you.

As long as you are working on consummating a plan, keep it to yourself. Once you make the consummation, then you can talk about it. Send out news releases to local media to announce your acquisition of "XYZ Widget Company."

The Bank That Got Away

Not too long ago, it came to my attention that a bank, in a state that for reasons you will soon learn will not be revealed, was about to be shut down by the Federal Deposit Insurance Corporation. Smelling a possible opportunity, I started making calls.

Long ago I learned that banks can be very profitable and do have a cash flow. That part appealed to me. Usually the owners of the bank have to take responsibility for any bad loans. Accordingly, I started making some phone calls to find out exactly what was happening. Fortunately, I happened to know, from business experience, one of the people on the board of directors of the bank (though he was not the one who initially told me of the problems). Later, I wished he had.

What had happened was that one of the officers of the bank had made a great many loans he should not have made. Most banks have a lending limitation. They can only lend a certain percentage of their capital.

In this case, one of the officers had lent the maximum amount, not once, but on ten separate occasions to the same person, using different dummy names and corporations. Some of the loans were secured by worthless or nonexistent property.

Of course, it was his notes, as well as a substantial amount of other notes in the bank, that were not being paid. The FDIC, who heard of this from another bank officer from the same bank, moved in right away.

This is when I found out what was happening. I started making phone calls, realized the bank was for sale and thought there was a possibility that we could buy it. My first offer was to the board of directors to let them know that we would like to purchase the bank. Unfortunately, by the time that offer reached them, the FDIC had closed the doors on the bank.

We were then no longer dealing with the board of directors in the free enterprise system, but with the government!

How To Buy A Bankrupt Bank

When a bank is closed down by the FDIC, they immediately go to a list of parties who are interested in stepping into such situations. They then have an auction, which is a bidding process, whereby different banks or consortiums bid for the bank in trouble. In theory, the highest bidder gets the bank.

In this case, since the bank is not in the state in which I reside, and since I had no direct banking experience in that state, we had an initial problem. The FDIC and the state banking people really did not know who I was, and frankly were not interested in dealing with me.

The solution to that problem, we felt, was to apply political pressure. Accordingly, we had various state representatives, senators, and political figures make phone calls to the bank, as well as to the bank examiner of a Midwestern state who did have experience with our group.

This was to simply let them know that we were decent people. We certainly did not ask for any undue political pressure, and would not expect that. We wanted to make an introduction that signaled we were people of some means and magnitude and had the wherewithal to put the deal together.

We also told the banking authorities the approximate size of our group and the financial positions of the people in question. It was more than enough to handle the bank's situation.

The Auction

The staff with the FDIC continued to stall us until finally they said they were not interested in dealing with a group from out of state. They wanted a local group. They went on to tell us that the auction would be held on a Thursday morning. A phone call on Wednesday

afternoon to the banking officials told us that even if we could be there for the auction, it would be sold to one specific bank in the area.

That's the way the government works. Yes, there was a bidding process, but we were told beforehand who would win the bid!

Interestingly, the following day, it was announced which bank won the bid, and it was the bank that we had been told it would be. We were now clearly out of the picture.

Why It Didn't Work

Now, let's look at the reasons the deal didn't come together. I think the biggest failure was that we didn't have information soon enough. If we had known earlier, we could have made an offer to the board of directors. Also, if we had known earlier, we may have been able to get by some of the hoops and hurdles placed in front of us by the FDIC. The main problem was not having the data in time to act correctly.

You may ask, "How does one go about financing the purchase of a bank? Doesn't that take a lot of money?" The bank in question had assets of about \$90 million. The answer is, yes, it does take a great deal of money to buy a bank, but buying banks is very easy.

Basically, what happens is that smaller banks have deposit accounts with larger regional banks, and the larger regional banks are willing to lend almost unlimited money using the stock of the smaller bank as collateral. They will lend at least the full book value.

This is probably about as easy a loan as you will ever find, since it is collateralized by stock in the bank and it is a profitable transaction for the lending bank because they get large deposits from the bank that you are purchasing.

Words of Wisdom from Tom Phillips, Entrepreneur

How many of you have made an acquisition of some significance, or any acquisition in your company's career?

In any case, I'll say a third to maybe 40%, so that means almost half or more have not made an acquisition. Let me suggest that that's something you should do, and I'll give you a little

bit better time frame than just 30 days. Let's say in the next 18 months, make an acquisition. Buy somebody else's product line, business... whatever... however you practice, if you're a doctor or professional.

Now, why do you do that? Well, because, hopefully, everyone is dedicated to a growth agenda, and you need your three legs of the stool, or three streams of growth. Growing what you've got, starting new, and acquiring.

Now, why do you also want to acquire?

Because that disciplines you to look at other businesses and compare them with yours. You will learn a lot, even from the acquisitions that fall through, the ones you don't make. You will learn what you're doing right, and what the other guy's doing right, and what you should be doing that he is doing.

And then secondly, it's another wonderful way to bring aboard other business builders if individuals come with big product lines.

Now we've done all sorts of acquisitions. Sometimes they came, and sometimes they didn't. But you're building not only your product line, but also your most important resource, which I believe is your team, your people. If you buy Product X, and ten people come aboard, or two people come aboard, or 100 people come aboard — they're all there with you to help you build your business. So, it's not just the product line — it's the people, too.

So, we used the three-pronged approach for over 23 years. And every one of our leaders is empowered to look for acquisitions, as well as to help with the new starts, and grow the business we had. All of your key leaders should be participants in all three parts of the process. You should not say, "Oh, I'm the only one who does the acquisitions" or "I'm the only one who does the new starts."

The new starts should well up from the bottom of your organization, from the people who are closest to your customers, and your marketplace, because they will know what new starts you should be making, probably better than you do if they're closer to the individual customer.

And then the acquisitions, they will also know the skinny on the street. I don't often know who's doing well, or who's doing poorly among our smaller competitors, but the individual

reporters, editors, writers, marketers who are interacting with the other businesses in our industry know exactly what's going on.

You know, it's the talk over the beer at night. It's the talk at the trade show. It's the talk on the phone, when you're exchanging marketing ideas. So, get those ideas from your own people, and empower them to be part of the acquisition process.

What if you sent a letter to every agency that's doing marginally and said:

"We'll buy your business from you and pay you for the next three years.

"Let's say you are a travel agent making \$2,000 a month, you've got your own office, with you and another person, and basically you're losing \$500. A lot of travel agents find themselves in a real dilemma. They've got just enough business to be indentured to the operation, but are not able to make a dime.

"We've got a proposition, which a lot of people find irresistible. We'll buy all your business and pay you for it for as long as it lasts. All you've got to do is turn it all over to us, and we'll assign it an operative. We can do it locally and we can do it by telemarketing with a WATS line.

"You basically participate in an orderly transition and announcement, and you do nothing but act as the conversion officer. You can work them as much as you want or as little as you want – it's up to you.

"Just keep in mind, as long as they stay active, you'll keep getting a check from us every quarter or every month. All of a sudden instead of losing \$500, you might start getting a check from us. Wouldn't that be nice?"

My recommendation to a lot of people is to use quasi-personalized letters — not mass-printed letters, but laser-printed letters, which look like you actually sat down and drafted them.

If you were a travel agent and you couldn't figure out how to make a go of it, and you got a letter from somebody that said, "Look, we'll buy your business and pay you 40% of the profit for the next three years," you'd say "Great!"

What happens is you'll have so many people responding to you in different scenarios that you can pick and choose. You may find that you can sell leads off to somebody else — somebody comes to you who's not the kind of business you want, but you know other people who want that kind of business, so you can refer to them for a fee.

Just to summarize my recommendations: First, identify the travel agents. Second, solicit the agents personally to bring the business they've got to you for a perpetual percentage. Third, concurrently, solicit the agencies that are probably marginal to sell you their business rather than folding — by selling you the business, becoming, in essence, not just a PR person for your company to their own customers, but getting paid every month for the next three years. I think those three approaches, developed and experimented with, using a lot of different types of letters that are seemingly personalized, will do wonderful things for you.

Remember the concept of marginal profit. If somebody can bring you business that you wouldn't get on your own, you may need to give that somebody the lion's share of the profit to motivate them, but they're still making you money you wouldn't have otherwise. Be generous. You gain business by giving, by looking after other people's interests, whether it's those of your customers or those of your employees.

You make the most efficient use of your marketing resources if you can locate exactly those people who are likely to be prospects. This is one reason why the direct mail approach is often much more effective than mass-media advertising — it's like a rifle instead of a shotgun.

One key strategy for determining who the likely prospects are is to buy mailing lists either from competitors or from related but non-competing businesses. Another is to get referrals, which you can increase by giving people an incentive for referring to you. A similar strategy might help you locate prospects for joint ventures.

It gets very exciting. I know it sounds too easy to be true, but it really is. Is your mind starting to come alive? I really think you should reflect on what I've said, and use the strategies here... adapt and adopt them... or think up a totally new, innovative way. Regardless, you need to get going on enhancing your business with this very powerful method.

Chapter Seven: Barter

An Overlooked Profit Opportunity

Barter is probably the most overlooked profit center opportunity everybody in any kind of business can have. It can be a business to go into in and of itself, or it can be an extension of your business.

There are probably a hundred ways you can use it profitably. I have either bartered or directed barter activities to the tune of \$100 million for clients over the years.

It is very legal. It need not be done covertly, and it should not be done covertly. All it is, in fact, is a means by which you can take any product or service you create that has margin, and whatever that margin is you can use it to acquire goods or services your business wants or needs, or you in your life want or need — and buy them at a discount equal to or exceeding whatever the spread of your business is. And that's a pretty powerful, powerful opportunity.

Create Purchasing Power At Will

You can buy goods and services you need or want all day long at discounts, or whatever your margins allow.

In other words, if you produce a product and your margins are 60% and you need to buy a product or service, you can go out and barter your product or service for that. Or barter to a third person to get to that. And end up getting the products...

Let's say you needed \$10,000 worth of carpet. And let's say you manufactured furniture, and \$10,000 worth of your furniture at retail cost you \$2,000 to manufacture at wholesale. If you go to a carpet company (retail or manufacturer) and say, "I will trade you \$10,000 worth of my furniture for \$10,000 worth of your carpet," you just acquired \$10,000 worth of carpet for \$2,000.

You have a choice when you do that of either using it internally and saving \$8,000, or turning it into a profit center and selling that carpet to a third party for a discount over market value and making 300% or 400% on the transaction. Pretty interesting.

You can barter goods. You can barter services. You can barter one-on-one. You can barter in what I call “triangulation.” You may want something. I may have what you want, but I may not want what you’ve got. You may be able to find somebody — a third party — that has what I want.

By trading that third party, your product for theirs, or your product for their services, and trading their services to me, you get what you want at a discount. Does that make sense?

Let me be a little more concrete:

I think I can come up with probably 15 really simple ways that anybody could use barter as a good starting point:

You can use barter to save cash on capital expenditures. Say you’re buying a computer. After you’ve negotiated the lowest price possible, you agree to the price if the seller will take a portion of that negotiated price in your product or services — ideally 25% to 50%.

What will that accomplish? It just lowered the true cost of that computer to you by, let’s say, one-third and gave you dating on the barter portion of the purchase. You don’t necessarily have to give them your product or service right now.

A lot of people can’t use it right now. But by allowing you to pay for it later, interest is free. If you became really good at trading you can probably get a higher percentage trade, sometimes 100%. You can even trade a lesser dollar value of your more valuable services or products for a larger dollar value of computers.

The interesting thing in barter is if you’ve got something very valuable, and I have something less valuable, you can make me give you multiples, or many times, or a fraction higher of my product to you if you’re going to give me yours. So you even get greater margin.

Car Dealer

I'll give you an example. Car dealers. Cars have a lot more desirability than radio advertising. You're in the radio business. If I was a car dealer and you were a radio station, and you needed a car either for your news department or for yourself or for your wife... and I needed advertising, but I didn't necessarily want it as bad as you wanted the car...

I could go to you and say, "I know you need a car. I have a car that sells for \$20,000. You have radio advertising, but \$20,000 worth of your radio advertising isn't worth \$20,000 worth of my car. I will trade you a \$20,000 car for \$60,000 worth of your radio advertising."

Now, why would you be inclined to do that? Because as you and I both know, incrementally if your radio station is not sold out, \$60,000 worth of your radio time costs you virtually nothing. You could get a \$20,000 car for zero.

I, on the other hand, if I am advertising anyhow I just got \$60,000 worth of advertising on your station for \$20,000, less whatever my fixed cost is. And on a car it's not that much. It's like 12% or 18% less. But let's say 18%. So instead of \$20,000, the hard cost of that car to the dealer would be \$16,000 or \$17,000. But if he got three or four times that value in advertising, that's a lot better than buying \$20,000 worth of advertising for cash.

Another approach that car dealers do is they will give you the use of the car for three years for \$60,000. But they will retain ownership. So at the end of three years they get it back. They've cut their cost down in half because the car still is probably worth \$10,000 at the end of three years. So you can save cash on capital expenditures.

Increase Your Sales With Barter

Bartering increases a business' total sales. Since many businesses focus a lot of attention on total gross, barter accentuates the gross while continuing to minimize the overhead — which means that the cost of producing barter, instead of paying 100% dollars, enables you to increase your gross sales at a fraction of what it would be with cash.

Consequently, your bartered sales could be many times more profitable than cash.

Keep in mind, if your business can only sell on a typical cash basis sell your products or services for cash to the marketplace for "X"... but by adding barter you could do "3X"... and by

doing 3X you increase your buying power massively and lower your cost of goods — that barter transaction could make you more profit than the transactions you normally do.

When you do barter you have options: You can barter for goods or services the business normally uses and would pay cash for; you can barter for goods and or services you or anybody in your family or in your company could normally get and pay cash for.

There was a company once, a radio station, who bartered with Chrysler for 25 Chrysler automobiles. They had no use for them, but they were able to trade whatever five times 25 was — \$500,000 worth of radio advertising that cost them nothing.

They got control of 25 cars. The station owner and his son took two. They put a sign up in their lunchroom for the other 23 and offered the cars to their employees at 30% less than they could buy them in the dealerships. They sold them all in a week. They gave 30% savings to their employees, but they put \$400,000 in their pocket.

You can barter as a profit center. That was a profit center, but you could use it for your own account too. You can use it as a profit center. You can go outside and sell the cars or trade the cars for something else you needed.

There are an infinite number of possibilities. But you can use barter to increase your total sales.

Pay Hard Costs With Soft Dollars

Barter lets you pay operating expenditures, even payroll, with soft dollars. This means you could be low on — or even out of — cash, and still continue to operate your business and prosper by paying people in goods and services... paying contractors in goods and services... paying suppliers in goods and services.

You can print your own currency, or script, which is usable only at your place of business. The advantages and benefits of having your own legal tender are limited only by your imagination.

Here's an example:

Say there's something your company really needs or wants to acquire but you can't afford it on a cash-paying basis. By using your own printed barter currency, where the cost is based on the cost of supplying the goods and services, and where you take the liberty now but pay for it much, much later — you can afford to acquire whatever is needed.

There was a prominent restaurant in Los Angeles that was in a cash flow bind. It was very successful, but in a cash flow bind. They needed to remodel. They went to somebody and they got somebody to furnish them with \$60,000 worth of carpeting, painting and the like, and they gave them \$60,000 worth of actual certificates they printed. They got the \$60,000 worth of remodeling right now. The other people got \$60,000 worth of certificates that they couldn't possibly use at one time.

So besides paying the \$60,000 with future services at a discount, because the cost of food is about one-third of its retail, the cost of wine is maybe one-fourth of the retail... so besides getting \$60,000 worth of remodeling for at most \$12,000 in hard costs — they were able to defer paying that \$12,000 for months because the person who traded used about \$2,000 a month.

They couldn't use \$60,000 in a month. So they got to pay for it long term, interest free. What bank will let you borrow \$60,000, pay them back \$12,000 without interest, and call the debt even?

Okay. Let me throw a wrench into that. What happens if the remodeling service gave out this certificate and everybody came that month?

What's the worst thing that happens? It costs you \$12,000 to have bought \$60,000 worth of remodeling. First of all, statistically it's improbable. But if it did, what's the worst that could happen? If I said, to you, "You're going to have this cash flow bind for a month.

But if you'll accept that I can get you \$60,000 worth of desperately needed remodeling that you'd have to pay \$60,000 for \$12,000, and the odds of it costing you the full \$12,000 right now are about one in a thousand...?"

Tremendous deal.

But everyone's got it available. I'm just sharing how some very savvy people I know make their buying power, make their capital expand, create purchasing power at will, reduce their

costs of goods and services by far less than the cost of manufacturing, have a rich and expanded personal or business lifestyle at a level you can't believe — and have a lot of fun in the process.

Get Easy Terms of Your Choosing

You automatically get your terms, credit, discounts far better and easier than you ever could by paying cash. You issue \$5,000 worth of credit to a printer. He gives you \$5,000 worth of printing and delivers it to you up front, right away immediately.

You pay with your barter scrip credits, giving the printer one to two years to use his credit. The longer you give them to use it, the less value it costs you to fulfill. Because \$5,000 worth of value today in two years is going to be less value. It's improbable that prices are going to go down, they're only going to go up.

It gives you the chance to finance purchases at a steep discount, pay for the purchases interest free and, more often than not, not even have to pay the full agreed-upon discount price because more people don't use all the barter credit you give them even though they're fully entitled to it.

Breakage. Breakage represents the barter certificates you issue when you trade with someone, that are never used. A certain percentage of all barter credits issued, if they have an expiration date (which we recommend) will not be used.

Hotel

An example: A very prominent major hotel in New Orleans traded \$125,000 worth of radio and TV time once and they issued barter scrip in that amount with a one-year expiration date. Right up front the hotel got \$125,000 in advertising for the hotel at regular cash rates. That was advertising they had already normally agreed to pay \$125,000 for.

At the end of the 12 months, they performed an audit by their controller. It revealed that only \$35,000 at face value worth of the barter scrip had been redeemed within the time period allowed. The rest expired unused. The hotel was perfectly prepared to honor it, but historically people don't get around to using it.

The cash cost of the hotel delivering \$35,000 worth of goods, rooms, etc., was only \$5,000. The hotel had leveraged up \$125,000 worth of advertising for \$5,000 in real cost.

However, that doesn't take into consideration two overlooked but extremely significant hidden profit factors.

Statistically \$35,000 in room trade produces \$17,500 in cash, food, beverage and miscellaneous sales for the hotel, with a gross profit that would be in excess of \$8,000. So the hotel actually got paid \$3,000 net after all costs to enter into the trade. That's taking the \$8,000 of revenue, less the \$5,000 cost to fulfill on the room. Pretty interesting.

Also, all \$35,000 worth of rooms were not used at one time. It was spread over 12 months, meaning that the hotel got to pay the \$5,000 in hard costs over 12 months, totally interest free. In essence they got \$125,000 worth of advertising up front, and got paid \$3,000 plus deferred interest to do so.

Leverage Your Dollars with Barter

Another advantage of barter is cash conversion. Any barter items, merchandise or service you acquire in addition to paying bills with can be sold or converted to cash at a fee well above the cost of acquiring them.

Travel Magazine

I told you about Chrysler Corporation. I did something that was pretty interesting. I worked for a travel magazine, Holiday Magazine. Holiday Magazine was not the most successful magazine in the marketplace.

They had a lot of trouble selling advertising. Whenever they sold advertising (it was a quarterly magazine) they would sell pages at steep discounts because they had to do that to get advertisers to buy them. When they sold an advertisement at a steep discount, since it was a quarterly publication, the ad wouldn't run for two or three months. The advertiser wouldn't pay until a month or two after the ad ran.

Because they would sell it through a representative, they'd have to pay 20% to the rep. Because the rep would normally sell it to an agency, they would have to pay 15%. So 35% of the already discounted price would be absorbed. They would end up getting only 65% of an already discounted purchase, months after the ad ran.

I came up with the idea of setting up profit centers to barter. We would barter with people for products or services that we knew before we accepted we had a cash buyer for. The products we would trade at full rate, which is not discounted. So let's say a rate card is \$8,000. Maybe we're selling the ad page for \$3,000 in the past and by the time the dust settled we'd get \$1,800 cash three months later.

We would now trade the page for full rate, \$8,000. We would get good or services that we would not accept unless we already knew we could sell them to somebody instantly for at least 50 and hopefully 70 cents on the dollar of its value. We would do that before the ad ever came out, because when they made the transaction we made them give us the credits right away. But we didn't have to fulfill the ad for months.

We got cash up front. Let's say the ad would cost us approximately \$1,000. Let's say we would sell the \$8,000 that we traded for \$6,000. So we'd make six times our money, have our money months ahead, get full retail instead of a pathetic discount, and get all kinds of people who wouldn't advertise excited to do it. And give people who wanted the travel credits a deal to boot.

You create a barter profit center. It's pretty exciting what you can do with it.

How to Approach People for Barter Deals

So how do you approach people, if we haven't done this before, and maybe generate a letter with the prospect of doing that?

Furniture Company

There's a lot of different ways. You can do it straightforward. You can do it based on self-serving interests. You can write and say:

My name is Jay Abraham. I own the Abraham Furniture Company. You may or may not know about us. We sell some of the most beautiful and expensive furniture in the city. I have an interesting proposition I think would serve both of us very well. You are in the _____ business. You sell something that I very much like, need, or would be interested in acquiring. Either you, your company, or one of your employees probably have a need for furniture.

I would like to start a relationship with you. I have a relatively painless and easy entry idea of how we could both become each other's best customer. I would like to barter, or trade

you, \$10,000 worth of my furniture for \$10,000 worth of your product or service. I'm very willing to trade you retail to retail. I will use your services immediately. You may use my furniture immediately or, if you prefer, you can have up to a year to exercise it.

How can you best take advantage of this? You can use it internally (and then suggest some of the applications). You can use it in your offices. You can use it in your home. You can use it as gifts or sales inducements to motivate your staff or your sales people to achieve more. You can use it to trade other people for some other goods or services your company wants or you want or need. You can use it as a profit center and sell it to your employees at a discount.

Any of those uses, if you put them to productive advantage, you've gotten furniture that some day or sooner or later you would buy anyhow, at a discount equal to whatever the goods or services I am buying from you really cost you to produce. If we use goods or services that may be sitting in your inventory, that have not sold for awhile, it's a great way to convert dormant assets into dynamic utilization.

I am very willing, by the way, to take higher grade, lower popular items as long as we adjust accordingly. The best part about this transaction, however, is the next stage. If it works for me I am very willing, if you don't want to continue on a barter basis, to make subsequent purchases on a pure cash basis.

So it's a low entry, low risk way we can both develop a wonderful, wonderful buying relationship with each other. You're welcome to buy my furniture for cash in the future. If we both enjoy this basis we can keep trading. You can be a profit center. We can do whatever you want. At least I think we should explore it because I think both of us can gain.

It makes sense. I think it's a better proposition to do by telephone. In person is okay, but telephone is more expedient than in person.

Remember, You Sell the Benefits and the Advantages

But normally if you walk somebody through the advantages — what they can do with yours, how it benefits them, the fact that you'll take things that maybe are a distress to them and you'll let them have anything they want, they can take it all now or later.

You show them all the different ways they can use it internally, externally, self-servingly as a profit center. You show them how they can't lose on the deal. You show them how if it works it will evolve to cash transactions. You show them how if it works comfortable they can set up their own profit center. You offer to help them with it. It's not a very difficult transaction to make.

And someone who's just new to business or thinking about starting out, I'd suggest that a lot of people who want to go into business become barter representatives. Go to people who have goods or services that sells for a much higher price than it costs to create, or that they can create them at will. Offer to represent them to all kinds of other businesses and transact barter for them and get as their fee either a share of the credits that they can use any way they want, or a cash commission.

A lot of companies have barter profit centers. They have full time staff that do nothing more than trade. Sheraton, for example, has a barter division that trades what they call Sheraton Gold, which are gold certificates you can use at any Sheraton in the world for room and food. It may just be room. They trade something like \$5 million a year. It reduced their capital expenditures, their advertising expenditures, their travel expenditures by \$5 million.

There are probably a whole lot of profit centers in medium size businesses that might be open to someone thinking about this.

Barter for Advertising

The Home Shopping Network actually started as a barter permutation. The man who started it owned a struggling radio station in Tampa, Florida. He couldn't sell advertising, so he would trade for all kinds of things, like retailers for toasters.

And he had something like 1,000 toasters and can openers at one time that he couldn't sell to anybody, so he started with on-radio auctions. Then he just did it on discount selling at discount prices. It works so well he took the pilot concept and expanded it and bought time on cable and turned it into The Home Shopping Network.

You can obviously vastly expand your available advertising budget without using cash. An international airline company in competition with Federal Express hired a barter firm that I know to pay for its upcoming television schedule using credit for their courier service.

The barter company put up the cash, ran the television, took credits with the air courier. In other words, it wasn't Federal Express but it was one of their competitors. I can't tell you who it was, but they came to this friend of mine and said, "We want to run advertising on TV but we don't have a budget for it."

He said, "Okay. I'll put up the \$5 million in advertising, but I want \$15 million worth of delivery services."

They said yes. He took the \$15 million and went to people who didn't use this competitive carrier and said, "I'll sell you services with this carrier who's priced comparable to Federal Express, for 40% less than you're paying Federal Express — 40% off their rate."

He sold \$15 million, approximately, for \$9 million and made a \$4 million profit on the transaction. But the best thing about it for the package delivery company was when the barter credits were used up, the people who bought them at a discount were so used to using this carrier that they became cash-paying customers.

You Can Use Barter to Finance Growth

Cruise Line

You can finance rapid growth without cash. One of the classic examples is billion dollar cruise line, Carnival Cruise, a Florida-based company. It's now the largest cruise line in the world. It started with one ship and insufficient operating capital. The line actually traded empty cabins for radio, television and newspaper advertising in 100 cities over a ten-year period.

The cost of an empty cabin, once the ship sales, is essentially zero. Plus the passengers on the ship will spend considerable cash in the bar, in the casino, the gift shop, on shore excursions, booking their air travel through the cruise line. So the net cost to the cruise line to fill an empty cabin was literally less than zero. Stated differently, they made a massive profit off the bartered cabin being occupied instead of going out empty.

And here was the payoff for the cruise line. They used this technique to become the largest cruise line in the world and continuously advertised in 100 cities for more than 10 years without spending a penny in hard cash. A conservative estimate of how much sales they generated: 100 million dollars.

The owner of the cruise line is now a billionaire and is in the top 10 on the Forbes richest list. It all started with one 30-year-old rusty ship and a heavy barter understanding of advertising.

Another advantage is you've got an ability to instantly and continuously create and generate a steady stream of profits at far above close-out prices.

Cosmetic Company

For example, a cosmetic company traded a deodorant that was no longer being manufactured for advertising credits at full wholesale, thus getting their full market price in value, for undesirable items. The advertising was used to advertise the new line.

The old goods, which probably would have only brought in ten cents on the dollar as a close-out item, brought full wholesale as an advertising trade. Thus the chief financial officer did not have to write down the product. The company was saved not only the book loss, but the cash loss too. They were able to take an item and benefit from it at full price while also saving millions of dollars in cash.

Auto Sales

In a different twist, a major Japanese auto manufacturer had 1,000 cars in the U.S. that they had been unable to sell at any price for one year. The cars were bartered through radio and TV stations, in selected markets, at full retail value. In other words, window sticker. The advertising was used to introduce a new sports car that became a runaway success which the company previously couldn't afford to run advertising for.

The bottom line? The cars were sold at full retail and millions of dollars were saved on the advertising schedule and the new sports car became the basis of a blockbuster success for the company because they advertised constantly with the advertising they acquired solely on trade.

Almost anybody can trade their own goods or services for things. A man wrote me after he learned bartering from me at a program. He went out and he traded whatever it was his company did for a full summer's worth of gardening, lawn care and tree trimming. He said it was worth \$3,000 in the summer. It cost him like \$400 to do that. He would have paid \$3,000 for it.

I have a friend who traded a Rolls Royce automobile that at wholesale value was only really worth about \$40,000, to a company, for \$500,000 worth of TV time. He took the TV time.

He used half, and sold the other half for \$25,000. The half he used made him \$500,000 because he used it for his company.

I've traded goods and services for clients. When I used to be in the magazine business we used to do seminars and conferences. We would trade booth space at the conferences to publishers for books and newsletter subscriptions. We would take the books and newsletter subscriptions and offer them in our magazine at full rate and sell \$20,000 or \$30,000 worth a month. We would sell more than we ever could have sold. A booth may be worth three grand. We would sell a \$3,000 booth and barter for like \$10,000 worth of books. We would sell all \$10,000 worth of books in our magazine.

So we actually got triple what the booth was worth, and we were having trouble selling the booth at \$3,000.

Any company, who can create an ongoing supply of their product or service with big margins should seriously look to barter for acquiring goods and services they need, for profit centers, for starting new customers, for increasing their buying power so they can even manufacture or create their product at a lesser cost.

Service Company

Let's say you have a service company. Let's say your service company has salaried technicians. Let's say you're not getting full utility out of the salaried technician. Let's say you're paying them for 40 hours but they're only working, on average, 30 really.

They're sort of sitting around waiting. Let's say your real pay to them is \$20 an hour. For ten hours a week they're not being used. That's \$200 a week you're paying them for not being used. Let's say you've got five of them, so that's \$1,000. But let's say the market value of that \$1,000 is really more like \$5,000.

If you traded that to somebody for something worth \$5,000, it's like found money because you're paying them anyhow. And the person using them would start getting acclimated to it and would then have a high probability of becoming a cash client.

Turn Excess or Obsolete Inventory into Cash

Another advantage is turning excess inventory into cash without losing regular business.

A major international hotel issues its own barter certificates in the amount of \$7 million a year.

Over the years the certificates have become extremely popular in the advertising community since they are used at more than 1500 hotels around the world.

The hotel corporation is able to trade for advertising with nearly any radio, TV or outdoor advertising company because of the popularity. The hotel corporation saves \$10 million. But what happens is they trade with different companies purposely every year so that this year you may get a million dollars worth of my trade and I'll get a million dollars worth of your billboards. Next year I'll do it with somebody else. But because your people are so comfortably used to staying at my hotels, next year you'll spend a million dollars cash with me.

Recycle Dollars Right Back Into Your Pocket

The next one is to recycle dollars right back into your own pocket. This is brilliant. The city of Palm Springs ordered advertising for its tourist bureau. In order for the media (the radio station, the TV, the network or magazine) to be paid for the advertising they run, the Palm Springs Tourist Bureau required that the media had to travel to Palm Springs and spend money in the city itself. In essence, the media had to spend an equal number of dollars in Palm Springs and show proof of purchase they were paid.

In other words, I am the Palm Springs Travel Bureau. I want to promote Palm Springs all over the country. If I spend \$25,000 on your radio station or your television station on advertising — let's say you're in New York City — I will only write you a check if you agree to spend that \$25,000 I give you with merchants in my city buying goods or services that you would normally buy anyhow.

Let's say you travel. You've got to use my travel agency. Let's say you're going to buy a car. You've got to buy it through a car dealer in Palm Springs and have it shipped to you there. Let's say you're going to buy a computer. You've got to buy it from me.

The last one I would think of off the top of my head is stockholder benefits. Many companies issue employee and stockholder benefits or bonuses in barter either for the company

itself or for other barter they have acquired. They give Christmas presents, sales bonuses, customer inducements, all without using cash.

There are a lot of intriguing ways to use barter. It's pretty incredible. It's a profit center, leveraging profound competitive advantage that everyone reading this should instantly and perpetually commit themselves to take full advantage of.

And the key to putting on your thinking cap to make this all work is to think in terms of someone else's interest. It's all about, "How can I give them an advantage?" It's based on what people need, want or could get impulsively excited about.