

Dan Kennedy - Ultimate Marketing & Entrepreneurship Seminar

Part 1 – A LIFETIME OF MARKETING SECRETS

CD 1A

Introductions – skip this CD

CD 1B

At the end of the day business is business. There is no such thing as customer loyalty and you cannot create it. Never assume you have it because you don't and you will never get all their money. They will always give some to someone else.

Day to day loyalty is a function of day to day marketing. The reason they give money elsewhere is because someone else was on their doorstep asking for it. The only thing you can do is be there and ask for money as frequently as is profitable. If you are profitable twice a month then try 4 times a month and keep going until it stops being profitable.

Repackage & reconfigure what you sell to fully exploit your list. It also makes it harder for competitors to steal your customers. Try other people products via JV's. You need to have constant promotions.

Bill Glazer mails 14 times and emails 50 times a year = 64 contacts a year

Test for format but you can kill it by using too much. Frequency is more important than format.

When someone gets into a business they look at what everyone else is doing in that industry and conform to it. If they try and go beyond that at all they marginal incremental improvements on industry norms which are generally built by people who don't know what they are doing. The basic premise is flawed to begin with.

A flawed premise is invoicing and getting paid 30 days after. Always get paid before you do anything. DK's improvement was 50% up front when they booked a speech date and the rest when he shows up.

Exercise:

- 1) Make a list of your top 10 industry norms, for example invoicing, bid for jobs based on hourly rates, etc
- 2) Check how many you violate and conform to. Then figure out how to violate the rest

CD 2A

You need to look at the reason behind why people in your industry do things the way they do it. The chances are the reasons behind it are usually extremely questionable.

There is enormous power in saying to a marketplace that you are the opposite of the industry norm

You can boil marketing down to 2 fundamental things:

- 1) Math
- 2) Behavioural Psychology

Math

What will you pay to get a customer? If you don't know that number then every marketing decision is being made without the right foundation.

Are you willing to go negative, break even or positive on front end?

The greatest competitive advantage in the marketplace you can ever get is the willingness to spend more to get a customer than anyone else in your competition.

For high ticket items you can do more grander, frequent, elaborate and expensive mailings because you can spend more per lead. Examples: send tapes with letter, fedex, clocks with time running out, video with letter, etc

The single marketing skill is the ability to bridge the gap of the cost of the initial transaction and the value of the initial transaction. You will not be able to go grow your business unless you prepared to go negative on the initial transaction which will happen eventually.

It costs \$300 to get a customer on a \$100 initial transaction. The skill is bridging this \$200 gap. It's rarely a single answer, it's usually a number of things put together to give a solution.

A way of doing it is doing an upsell in the PS of the sales letter and in the order form. The upsell can be a premium priced item.

Broadcast fax has great response.

Take average costs per leads on different advertising sources.

Attempting a lot of things to bridge the gap gives you a lot of diverse options which is a massive advantage.

Sustaining longevity in the marketplace is dependant on being able to go negative to acquire a customer.

Base your marketing on being able to prosper from bad results.

We're gonna get above average results because.....(if you catch yourself saying this you are in trouble!!).

The correct way is the inverse of that - Do you still make money on really crappy results?

Strategise how to do this i.e. good results from bad economics.

Don't say we'll do well if it goes right, say we'll do well if it goes wrong.

Example: DK did a mail with a big upsell in the copy?? which if he didn't he would have had a loser.

Build in little insurances to overcome poor results.

What Right Do You Have

Ask yourself what justifies your existence in the market right now?

You have a great advantage if you have a reason to be there.

Subways advantage is they have small shops which fit in anywhere that McDonalds can't.

Price gaps is another reason.

Don't be a duplication, have a real reason for being in the marketplace.

CD 2B

Choosing Markets

- 1) Reachability of the market – is there a way to reach the prospects in a way that is efficient & affordable. Example: Trade magazines, websites, associations, national clubs, national convention, hobby magazines, lists etc.
Has someone already organised the prospects in one place because you trying to do it is extremely expensive and time consuming.
- 2) Responsiveness – Not only do they buy what you sell but do they purchase from the way you sell?? Does this market respond to someone with the same means of selling. Example in door to door selling security alarms you need to get into peoples homes. What areas will actually let you into their home?? People will buy the following times the same way they bought the first time.
- 3) Understanding – Things you know and don't know. Make sure you understand everything as if you are going to fail on anything, it will be this. In a failed campaign check this first. Get on the phone and find out why they didn't respond via a survey. Play in an arena where you really understand. DK's biggest response has been speakers because he is one.
- 4) Affinity – Link between you and the market. It makes it so much easier. Are/were you one of them?? Do you have rapport with them?? Example Joe Polish used to be a carpet cleaner.
- 5) Knowledge
- 6) Point of Leverage
- 7) Timing – Tie your pitch to it such as the current recession.
- 8) Needs or desires not met – Does the market have this that gives you an opportunity to exploit.
- 9) Competition

10 Things to Know about Your Market

- 1) What keeps them awake at night, indigestion boiling up their esophagus, eyes open, staring at the ceiling?
- 2) What are they afraid of?
- 3) What are they angry about? Who are they mad at? (be on their side against their perceived enemy is very useful)
- 4) What are their top three daily frustrations?
- 5) What trends are occurring and will occur in their businesses or lives?
- 6) What do they secretly, ardently desire most?
- 7) Is there a built-in bias to the way they make decisions? (Example: engineers = exceptionally analytical)
- 8) Do they have their own language? It won't take much screwing this up to destroy your credibility with that group. Read what they read, go where they go.
- 9) Who else is selling something similar to them, and how? Examples are product or delivery similarity. Play prospect all the way through but not including signing the dotted line by responding to other ads that sell to that market.
- 10) Who else has tried selling them something similar, and how has that effort failed?" Archive service.

The best focus group would be a drunk party as they will spill their guts!! You might need a friend in the industry.

Exercises

- 1) Can you write out in half hour increments your prospects typical full day.
- 2) Write out a description of your prospects as if you were describing a character for a novel.
- 3) Can you script a conversation between your prospect and his wife, business partner & drinking buddy.

If you can do this then you really understand your market. Befriend one if needed and go drinking with them. Go to their trade show or big convention and listen to conversations. Hang out with them for a day as an observer. Internet chat rooms. Surveys are risky. You need a feeling for a market.

Differentiation

At some point in time everything becomes commoditised including your business. When this happens you need to differentiate yourself on something other than price.

People pigeon hole so you will get known for a very short lists of things over time. Think about this in terms if presidents. Things about Nixon – Watergate & China. Clinton – Charming & Monica. McDonalds – Arches & Big Mac. Disney – Mickey Mouse.

CD 3A

You will get known for 3 things. Do you control that or do you let it happen on it's own? This will be your differentiation in the market place. Once you know what they are, you can decide to change them and form a strategic plan to do so.

The Story

There needs to be a story about what you are selling.

The common thread in weight loss pitches have:

- an exotic ingredient (a red algae in Hawaii)
- some junk scientific justification (sharks don't get cancer)
- credible science bit usually a quote from a doctor with a picture beside a university

Lead Generation

Only 2 ways to obtain leads:

- 1) Lead Generation
- 2) Parasite

Mailing Lists

- 1) Rent
- 2) Someone elses – Joint Venture
- 3) Buy
- 4) Barter

- 5) Compile – public records
- 6) Collect – from customers, lead generation, drawing boxes

Tailor your offer and promotion to the list.

Things to find out about the list

- What got these people on a list on the first place?? If it's an ad, get the ad.
- Get copies of the mailings that get sent to the list and look for commonalities.
- Get the names of the companies who rent the list more than once and compare your product/service with theirs and look for commonalities.
- Now tailor your mailing to the commonalities of the above. Example: Every one gets charged per month so you don't want to charge in a single payment. If it's story pitch then do the same. If it's drive to a website. Do the same, etc

CD 3B

Get a control to work before you start split testing. You might have 4 lists and sell the same thing but 4 slightly different nuances in the copy based on above.

Example

Karate school - \$1700 customer yearly value. You want parents who are really concerned about having respectful, safe kids who do well in school and have high self esteem. You find a lists of

- parents who have been to 'how to raise smarter healthier kids' seminar,
- concerned parent magazine subscribers,
- bought a book about raising smarter kids,
- who hire a tutor.

Buy the Appointment

To get past a gatekeeper, deliver an obligatory, guilt inducing, impressive and entertaining item. Buy the appointment by offering a bribe. Examples: something for their deck, clock, big gavel with your name on it with a brass plate, autographed baseballs. It's cheaper to get the appointment this way than get it through dogged persistence.

What people respond to most

People want it done for them – best product. Mike Vance – story board kit sells for \$300 and has sold 40,000 units. Frozen peanut butter & jelly sandwiches for mother to give kids in the morning that thaw out by lunchtime!!

Preach independence and breed dependence.

- 1) Things done for them
- 2) Told what to do
- 3) Ease, speed, convenience
- 4) Authority & direction

Magic Pill

Why must there is a secret?? Example weight loss: If there is no secret that hasn't been told to me then why am I so fat?? People don't want to look at themselves and analyse. There has to be some other reason for their failures and foibles.

The magic pill works on every level with everyone.

The vast majority of people know (but might not admit even to themselves) they have no discipline. If what you are selling needs discipline, you have a problem. Sell the magic pill.

Examples:

- It only takes 12 minutes a day
- No creativity or thinking required
- Created for you
- You hardly change anything and just drop in your name
- 90 minutes of exercise in just 4 minutes 3 times per week

At premium pricing do bundled packaged everything. Joe Polish gets his carpet cleaners to sell packages for the year.

CD 4A

Scratching the Itch

You have no moral obligation that the customer use what they buy from you. In fact trying to pressure them to do it will create resentment and a lot of returns. They get enough emotional satisfaction from merely buying. They scratch the itch.

Oh That's For Me

This is the reaction you want your prospect to have 30 to 60 seconds when showing them your stuff.

Customise and prioritise because if they see it's for them they will pay premium prices for it.

Example: DK used to sell tapes at seminars for companies and he noticed that if his suit and product packaging matched the company colours he sold more stuff.

This also applies to name of service, format of package, etc.

DK sold to dentists & chiropractors and should have had a package for each rather than sell them the same product packaging. You can charge premium prices for the 'oh that's for me' factor.

There is no advantage in having a superior service/product for front end use because there is no way for the prospect to tell until they use it.

Doing payment as percentage above base lends itself to you having responsibility for them to implement. Do big pre-pays instead regardless of results and get bonus compensation from the winners. Do not get into a forced compliant issue where you have no authority.

You need to build relationships to command premium prices.

CD 4B

Celebrity Driven Advertising

Businesses are usually intimidated from using this because of the process and potential expense.

Celebrity advertising more than pays for it's cost.

It's not as expensive as you might think especially the 'B' Class celebrity.

You can also manufacture your own celebrity from scratch.

Greg Neilsen

How to make your clients celebrities so they never want to leave you.

3 Shocking Facts

- 1) People think very little if at all
- 2) People do very little if anything
- 3) All you have to do is this little bit more

Headline: A Chiropractor that treats you like family

If he joint ventures he does one sided newspaper inserts. He halves the cost of the ad by mentioning local business owners in the ads. He then has a line that says '*if you would like to be featured in a future article please ring the Local Celebrity Hotline*'. They have the piece hanging in their office. In his office he has a wall of fame. Works for referrals.

He has also preceded a sales letter with a postcard/paper insert that says '*in a few days you will receive a brown first class mailed envelope. The envelope contains a document with a typo error. We are totally embarrassed by this mistake. Thank You.*'

He also inserts a flyer in the local charity shops bag with purchase for fund raising. He is going to capture name and address send them postcard. He is going to have a draw and get it in the local paper.

Headline: How You Can Win A TV And 3 Things You Need To Know About This Place

When you get an idea, instantly act on it.

He ads a newspaper article to the newsletter. He also JV's with other businesses and mentions them in his newsletter.

He also did a letter mailing for getting people to do referrals actually thanking them for non-existent referrals.

CD 5A

Bill Glazer

He sends Thanksgiving Cards but not Xmas cards to say thank you to his clients.

He gives away a lot of free gifts.

Diversity leads to Stability – don't rely on one media. Voice Broadcast sent at 10am or 2pm that goes straight on their messages. Increased response by 90%.

He uses shameless bribes a lot. He took his handwritten letter and used it as a newspaper ad and as a broadcast fax to local businesses.

A heavy dashed border gets a bump in response to ads.

He also uses 11" x 6" Postcards which are relatively inexpensive. *Gift, offer & deadline on both sides*. He also has a barcode to scan to get response, who they are and how much they spend.

He segmented his lists by who bought boys suits so he did a promotion for that.

Use multiple strategies to bump response.

DK

Gift with purchased as well as gift with appointment is one of the best strategies.

There is no difference between B2C and B2B even in industrial type markets.

Tom Hopkins 5 step sales process.

Better than a MBA: Take the recruiting ad for fire alarm, burglar alarm or water filters ads and do the job. It's a great education.

The Chiropractors who were most successful had the following in common:

- No geographic bias – country or city
- No demographic bias in their practise
- All worked their way through school and were involved in direct sales face to face.

Supplement to the Free Report is a testimonial page.

You should not underestimate the power of using voice broadcast. Can recover a failing direct mail piece with it.

CD 5B

The magic of celebrity imitation voice broadcast is that people save it and play it for their spouses and friends. American politics have used it for years.

It works best when it hangs up if it's answered so it only goes to voice mail. Good for both B2B & B2C.

Gift with purchase/appointment

The only question is what the bribe has to be. The calculator is a proven response booster. You have relevant or irrelevant premiums. Going to business owners try Stephen Covey - 6 habits of highly successful people (relevant bribe). Irrelevant premiums could be dinner at a restaurant, golf balls. This can be tested and more often than not irrelevant premiums outpull relevant!! *Success comes in cans not in cannots in baby food cans.*

Membership Marketing

- You are better off selling membership rather than subscriptions
- Better off bundling services into membership
- Better off bundle products into a membership
- Sell products/service disguised as memberships e.g. AARP
- Have different levels such as silver, gold & platinum
- Auto charge for it
- Members are better customers spend more.
- Creating upgrades gives you another product to sell and members spend even more.
- The retention rate improves the higher they go
- Members will pay premium prices that non-members would not pay so you also improve your margins
- Other examples are Gold Plus, Gold Plus VIP
- Platinum is the high level mastermind group.
- Lower level would be teleconferences instead, pre-qualified members,

The longer you keep someone reading the copy the better the chances of your success. In direct sales the success of your sales is dependant on how long they spend in the room.

Publishers clearing houses keep customers by involvement, they have loads of fold this, cut that etc. The longer they are involved the better the chance of buying.

To test the success of a letter is if one letter works, write some more and keep doing it until it stops working.

It is all based on hitting someone's interest. If they aren't interested they won't read one page never mind more but if you hit them about something they are passionate about then they will read.

The example is how much copy would you read about a terminal disease the day after you find out you have it??

Lead Generation is the far superior strategy to one-stop selling.

CD 6A

Example is finding the perfect list for a golf book. Why not send him the 26 page sales letter right away rather than getting him to request it? They will be more keen when they get it. Lead Generate until you can't get anyone to raise their hands anymore and then you send the 26 page letter to the ones who didn't saying '*here is the package you requested*' even though they didn't. This is dependant on having a good list.

Objects In Direct Mail (Lumpy Mail)

- The clapping monkey toy with the sales letter around his neck. In box with urgent message inside
- Another is the bank bag,
- Dollar sign bag for carpet cleaning fortunes.
- John Goldman has a kit. Oriental trading also has stuff (www.funexpress.com).
- Zoo bag,
- Cloth parrot on a perch,
- Survivor stuff,
- Pink flamingo cup,
- Rubix money cube key-ring (frankly I'm puzzled),
- Hamburger yo-yo,
- Battery operated back scratcher,
- Magnifying glass,

- Rubber spongy 100 dollar bill,
- Happy birthday pencils,
- Big mistake eraser,
- Dog bone shaped candy

You will bump response. List segmentation. Delivery mechanism can be different e.g. hazardous waste bag, bank bags, canoe paddle!!

You don't want to trick them into opening the envelope and have them feeling conned. You want to address that in the copy.

When It Doesn't Work

- 1) You got the message to market match wrong
- 2) You didn't get their intention – headline, grabber, first line
- 3) They want to believe but do not believe the promises or you. Maybe a language issue, too big a claim. For example the word fortunes might not be in line with carpet cleaners, Rolls Royce in line with chiropractor.
- 4) The more likely problem is that they don't believe in themselves. You might have to give them confidence. The testimonials need to match up with the prospects and answer the questions of why it won't work for them. They will always look for the one reason why it won't work for them. Confront and challenge the ego. Most plumbers wouldn't do this because they are spineless.

CD 6B

Ways to get Testimonials

- When you sell with testimonials other people will too because they just think that's what people do.
 - Incentivise to get them
 - Just ask
- 5) Insufficient urgency – if it doesn't have a call to action then why bother send it?! **Be pushy – tell people what to do, when to do it and what happens when they do. Expiry Dates.** Don't ask what they think of something. Bury them in pitch. Offer time dependant premiums, versions of product, etc. Urgency building pushes people over the edge. There has to be believable reasons for the expiry date. Penalties for missing it and bonuses for meeting it. Publish in demand.

- 6) Financial Considerations – it's almost never price. It's value, importance to them, supply demand issue, how they are going to pay for it and justify it to someone else or themselves. You have to solve these things not price.
- 7) Fulfilment from other sources - Issues of guilt, devil they got because they don't know anything about you. They feel a risk of doing business with someone else. More prominent in B2B.

Obstacles to the Sale (related to the above)

- 1) Fear of making a bad decision
- 2) Fear of irrevocability
- 3) Fear of embarrassment
- 4) Fear of being taken advantage of
- 5) Fear of later finding a better deal – buy it now and find out you can get it \$100 less next week
- 6) General procrastination
- 7) Apathy
- 8) Obligation to others
- 9) Confusion – lack of understanding, too many choices, criteria for decision making too complicated

Clients just want to be told what to do. The pitch has to be structured on how to deal with these obstacles.

Risk Reversal

You should sell this way. If you can't you are either selling to the wrong people (take advantage of your guarantees) or selling the wrong thing (it's a crap product/service). Always give refunds and give unconditional guarantees. Conditional guarantees are ok as additional guarantees but not the main. It is always cheaper to deal with weasels and give them their money back than deal with lawyers, ombudsman, etc. Make big bold outrageous guarantees.

View it purely and unemotionally as math. You cannot individualise the refunds. The refund rate is X. Do whatever to bring it down. Product improvements, customer service, follow up program, do we gift them enough. Then adjust economics to cater for refunds. You can't please everyone and the cheapest deal is just get rid of them.

DK's rule is 2 refunds in a row and their out. He removes them from the list and never sells to them again. You don't them to have ammo to complain about you so just pay all the money.

He got a return after 8 years and paid him his refund because if the person is stupid enough to send it back after 8 years then he is stupid enough to be a big pain in the ass.

CD 7A

Media

Example Martial Arts School Campaign: Radio ad – testimonials on an answering machine. Beep-testimonial-beep. Valpack, TV, banners in front of his premises, Newspaper inserts, postcards, JV's, free seminars, billboard, website, special events, holiday camps, 2 yellow page ads, referral rewards system, local schools & churches, billboard, fax broadcast, summer camps, press release, write columns in local newspapers. Buddy days, kids classes, leadership classes, combat classes.

To be successful you need to do a lot of things. Move messages around from one place to another.

Newspaper free standing insert is superior to the newspaper ad. Take the same insert, put into a plain white envelope and put that in the paper. Response goes through the roof.

8.5" x 11" Oversized Postcards. Try putting ad on one side and a full colour picture on the other. Advantages are they are cheaper than enveloped mail, quicker to get out and instant viewing. The negative is that it is clearly junk mail. You need the right message, right market and dramatic presentation.

Tearsheets are excellent for 10,000 or more pieces which a both side printed newspaper page. Mimic what they read such as an industry magazine. It should look like a real page from a newspaper/trade magazine. It just has to fool you long enough to get you interested. Post-it note on the tearsheet will mostly give a bump. Also use instead of a brochure.

How many different media are you using and how many ways are you using them? If the answer is not many then you have some work to do.

10 Advertising Mistakes

- 1) *Being cute* – yes it can be done but needs to be very skilfully done. Risks are high to it's failure. Don't do it.
- 2) *Being subtle* – pitch, be the door to door salesman
- 3) *Headline fails the stand alone test* – if you took just the headline and ran just the headline as the ad, would anybody call you??
- 4) *Focus attention on something else other than product/offer* – you remember the duracell bunny but not the battery
- 5) *Attempts accomplishing multiple objectives* – Lead generation should only sell response and get them to the website/phone. Advertising should function like a mildly retarded employee.
- 6) *Graphics vs Copy* – copy drives appearance not the other way around. Aesthetics means little.
- 7) *No offer, weak offer* – Lead Generation says call us for information is a weak offer. A strong offer should have a good title and sell the same as if it was for money even if its a free report.
- 8) *Single reason for response*
- 9) *Single means of response*
- 10) *Me-Too Appearance* – looks like every other ad

Joint Ventures

Parasite marketing is capitalising on others peoples assets.

- Mail someone elses list and vice versa
- JV with someone who is already in a niche so you get language and aggravations of niche
- Develop products with other people
- Work with people on a consulting deal, writing copy etc

They can speed up income much faster than any other way.

CD 7B

3 Big Mistakes In Doing The JV Deal

- Product owner mistake of them wanting most of the money. The product is least important part of the deal. It's his customers that are important. The same question is how much would you pay for a customer?? Product owners tend to be a pain in the ass. You have to educate them on the economics. Cost of sale, media, card processing. 5% of gross may end up 25% of the Net.

- Interference from JV partners. Just license the product and pay them royalties.
- Little kid concepts and lack of understanding, picking holes in copy, product packaging, etc. Be mature about it.

Have it all in writing and discuss potential ways it can screw up and the divorce is easy. No one wants to think about the end but you have to plan the exit.

Building a list puts you in power of position. Example the restaurant who has a list can JV with theatres, bookshops, etc and dictate the terms.

Licensing

Licensee – the big advantage in licensing someone’s product is it short cuts time by acquiring product, testimonials, websites, basically all the stuff around the product that would take ages to do yourself. Saves costs on testing and all you do is find lists.

Licensor – Take your own resources charge a fee to sell your marketing campaign & product. You need to provide numbers and levels of support. It has a lot of leverage. You have to be careful how you structure your deal so it doesn’t become a franchise which is legally more complicated.

Part 2 – A LIFETIME OF BUSINESS LESSONS

CD 8A

The purpose of a business is to facilitate your life not the other way around. If you are required on the premises you don’t have a business – you have a job.

If you are doing low value tasks you are in trouble. The doing of the thing is not where the money is. The most valuable job is getting the thing sold. Don’t spend your time playing parent to your staff, it is the most costly waste of time of all.

Dead weight partners is another problem. Have an easy way out and always have an exit strategy.

Top Entrepreneurial Skills

- 1) Ability to provide appealing products, service & offers -
- 2) Ability to affordably acquire customers
- 3) Ability to manage for maximum profit

- 4) Ability to retain customers & maximise value
- 5) Ability to develop value & equity
- 6) Ability to meet personal & lifestyle goals

Ability to provide appealing products, service & offers

- *Ability to collect relevant information & market research* – This is the most important one of all. For example, if you are going to franchise what you have, become a franchisee for a year with someone not in your cities and use that as basis for your decisions.

Ability to affordably acquire customers

- *Only do direct response don't try to brand build*. Example: guy who wanted to sponsor all the soccer teams in the town and makes getting the list as part of the deal. It's the list not the brand building that's important.
- *Master message to market match* – most people try generic advertising, one size fits all – big mistake. You need to do a direct match. Example is the golf program that goes out to golfers versus the left handed golf program that goes to left handed golfers. Niche all the way. People who live in small towns think what works in a city won't work in a small town & vice versa, split the list and mail to each separately. **The more you slice & dice the list and tailor the message to market match – the higher the response.** The big guys won't do it because they are lazy and allow operations control marketing. You have an advantage.

CD 8B

You can JV with someone who is in your target market. Look for retired bored ones who used to be in that business. They know it inside out. Buy a retired Architect. You won't have to pay him much - 2% of the gross. Let them do the coaching to people as he has the sensitivity. It's better if they were successful themselves.

Ability to manage for maximum profit

- *Manage vendors effectively* – There are no good vendors as they get bad eventually. They go to shit eventually so you have to be on top of them and have more than 1 for each category, so when one screws up you can go to the other.

You will also get price creep due to vendors knowing you will get lazy about you checking around for prices. Also vendors will steal so always check the cash and quantities of what they provide. Printers and envelopes. Always spot check.

Ability to retain customers & maximise value

- *Be long term value orientated* - All big companies screw this up eventually – Example is Holiday Inns. **Always be in constant contact with a well planned back end strategy.** All the cost is getting the customers. All the money happens afterwards in the back end. Always be thinking what's next for every aspects of your business!! Examples, thank you card, pre-pay, etc. Most people go one stop.
- *View retention as marketing* – don't confuse retention with operations. To retain customers just before they drop out of a service, try lumpy mail, gifts, eavesdrop lines recorded message, back up 8 weeks, 4 step mailing.

CD 9A

The list of ones who are being lost/have been lost is as good as any other list if not better.

Increase frequency to old names as it is better than going after new leads. Reactivation.

Ability to develop value & equity

- *Develop renewable or automatically renewing income.* This is difficult to do with some businesses. When you re-engineer your relationship with your customer so they have to take initiative to stop rather than initiative to buy again you make more money because they don't take initiative. Introduce continuity to your business. Pest control is built on monthly charges. Prioritise automatically renewing continuity. Customers who pay by the year are better customers than those who pay by the month. The problem is though that the monthly customer never leave. Play the game both ways if possible. Ron LeGrand has year 1 fully paid and the following all monthly continuity.

How Entrepreneurs Get In Serious Trouble

- *Danger of concealed information* – Be sceptical about claims, promises & science. Do your research. Check JV partners background.
- *Underestimating difficulty of the task* – A lot of people don't use the direct mail processes because they are too complicated. You don't want a simple process so it's easily replicated. It should be required to explain it due to it's complexity. You have to do all of the direct marketing stuff. There is no real value in making a sale to a customer unless you convert it into long term value.

CD 9B

Automated Marketing Pitch by Ron Romano – I skipped this as I have heard this sales pitch before on the JV seminar.

Art gallery letter from Magnetic Marketing squashed into an ad by Dr Neilsen.

CD 10A

www.quickgym.com

Excessive resistance, delayed reaction to new methods or technology

- A lot of businesses are overwhelmed by technology like email but there is a balance point you have to hunt for. Don't be using the next new gadget just for the sake of using it. Excessive resistance & dependence is a mistake.
<http://www.aetna.com/> cost \$5 million to develop.

CD 10B

Gross vs Net

- If there is enough gross then there must be some net in here somewhere. **This is a massive error.** *The most dangerous person to be associated with in business is someone whose decisions are not exclusively based on money.* Be warned. Negatives can be run for business reasons but nothing else.

Danger Of Over Dependence On Any One Thing

- 1) One client
- 2) One vendor
- 3) One market – if choices are A & B then be both
- 4) One product
- 5) One marketing method – what if you are over dependent on infomercials and then infomercials get outlawed
- 6) One advisor
- 7) One banker
- 8) **One employee – The only indispensable person should be you.**

Product without distribution has no reason for existence

This needs to be thought all the way through. How is it going to get to the end user?? You need to control communication with end users, if you don't have this then you are vulnerable. Distribution can go away, customers don't. Orient yourself where you deal with the end user if you are in an industry where historically you don't.

Trying to solve the wrong problem

Example is product being returned and trying to fix the sales letter. You can also fix economics by reducing the gap. The best problem to fix is the easiest & cheapest one. The most blamed are marketing mistakes. Work on the economics stuff first. If you are going to change the copy - change the offer, add bonuses or look at the free report title.

If you have a dead horse get a new horse.

You rarely get the results you want from the process you prefer

This is not incongruent with lifestyle. To get long term value you need to put physical product in their hands.

CD 11A

What are your key functions?

What do you do so well that should not be delegated?? There should be at least 3. There are also things that you are shit at, that you should delegate.

3 things not to delegate:

- 1) The cheque book – you are leaving yourself wide open if you do
- 2) The marketing – you can hire people but you have to have your thumb on it
- 3) The white mail – taxes and accounting. A lot of people just have this sent to their CPA – big mistake

Get other people to gather information, research and initial drafts. They start it and you finish it.

What do you do now that you know you don't want to be doing it 12 months from now? The *'I don't want to do it'* list is important.

What are you letting people do badly for you because of the pain of replacing them is too bad?? Set up a deadline and set out what you need to do to replace them.

Customer Value

4 things to build customer value

- 1) Frequency of transaction
- 2) Size of transaction – raise prices, bundle, upsell. Easy payment terms
- 3) Longevity – this may depend on price point, have continuity, exclusivity, painful to leave you, be entertaining to your customers, membership cards
- 4) Referrals

CD 11B

In many cases raising the price increases the value for people because they are more likely to use it.

Don't do cafeteria selling as people will scratch the itch with the lowest priced option. The same amount of people will buy the bundle rather than the book.

Ways to Maximise Value

- 1) Increase frequency of purchasing
- 2) Increase frequency of REPEAT purchasing
- 3) Increase sequential purchasing – **Every purchase should set up the next one. Every product should sell the next product – Volume 1**
- 4) Increase average transaction size
- 5) Increase retention
- 6) Increase categories of products/services purchased
- 7) Increase diversity of marketing methods – **talk to your customers with more marketing methods – fax, voice broadcast, video etc**

More dollars from customers via micro management

List segmentation and slicing & dicing. What to look for in the list is:

- Average size transaction. This dictates what you try and sell them. If it is too big chop it up and sell little bits at a time. Bundle for others.
- Number of times they buy a year. If someone only buys twice a year then you need to make it count when they do. People who spend a lot of money with and with high frequency, at some point of time they will get uncomfortable giving this one entity so much money. You may want JV's to appear that they are not coming to you but the JV partner. Get paid on the back not the front.
- Patterns of purchasing – do they buy to tight deadlines, closeouts,
- Total dollars per year
- Type of offer
- Media

The value of a business based on small numbers

Customer value diminishes dramatically the bigger a company gets. Bigger isn't necessarily better especially when you factor in lifestyle.

CD 12A

Don't emphasise more customers, rather look at customer value. When you get big the following can happen:

- Disintegration of message to market match
- Diminished quality of relationship
- Layer incompetence
- Vision you have vs what the customer is actually experiencing
- Vulnerability because of unsustainable overheads

Toll Position

- 1) Own a list – most valuable. You need relationship or influence. People will pay for access to your customers
- 2) Own a media – people will pay to put an insert in your newsletter
- 3) Own/control a product
- 4) Own/control a proprietary product
- 5) Own/control a proprietary process
- 6) Own/control a valuable brand – least value

Toll money can be residual or continuing. Sponsorship of seminars is also a toll position.

Relatively Stressless Path

Evaluate the path based on the least resistance.

There is never just one cockroach.

One customer got shipped the wrong stuff – not an isolated incident. If you find something wrong then look for more of it. There is never just one.

Employees who feel overworked just hide work. They will not tell you and it becomes a habit. They will also prioritise tasks that are low level.

There is 5% of the population who will not steal or cheat. There is 5% who will do it all the time. In between is everyone else who are situational. If certain conditions exist they

will steal or cheat. They will rationalise it. **The only thing you can control is opportunity to go undetected.** You have to spy on them. General issues:

- Time theft
- Grazing on the premises
- Hiding problems
- Burying work
- Inventory theft
- Ship stuff but don't charge the cards

CD 12B

Q&A

Drive back to a website to get a free report. Give them a new reason to come back to your website, e.g. Post info about new bootcamp. Better opportunity for frequency.

If you have a delay between purchase and delivery send gifts and information to keep him from cancelling which is guiltting the customer. You can also incentivise it.

When doing voice broadcast remember to follow direct response fundamentals.

CD 13A

You want the WOW experience but that alone is not enough to keep customers as they are easily seduced. You also need a constant campaign of communication.

Big issues of coaching are selection, structuring delivery and a get out clause. DK does phone coaching.

If you are in a business with no back end e.g. Surgeon, keep in contact with clients via monthly newsletter because you will get referrals.

Part 3 – A LIFETIME OF ENTREPRENEURS' SUCCESS SECRETS

CD 13B

Trying vs Doing vs Done

People who are good at making excuse should be removed immediately.

Everyone wants to complain about their tasks. All that counts is done. Money only goes into banks based on done.

Speed of implementation beats perfection. People don't get things done because they are looking for perfection.

Info products get done due to selling it before you have it done. This is called Dry testing.

The less of the things you shouldn't be doing the more money you make

Work hard on smart things. You need time to think about your business because you get paid for your brain power.

Stay out of the office.

CD 14A

Delegate whatever doesn't make you money.

People who do well have a lot of doors through which people give you money and a lot are automatic.

You need a lot of things going on to produce results.

Lie down with dogs and get up with fleas. When the bomb lands on them you are right beside them and you'll get the shrapnel. Be careful with your associations. The ones who harm you by accident are no better than the ones who do it on purpose.

Your customer list is by far the most important asset you have so why would you have someone ruin it?? Never let someone sell to your list without a guarantee.

If you discover you are in business with the type of person just mentioned, get out now and pay whatever you have to. It'll be cheaper today than it will be tomorrow.

CD 14B

Check out someone's history before doing business or JV's with them and do not ignore it if it's dodgy.

Plan the out before you get in. Pre-nuptial.

Friends come and go enemies accumulate.

Make accessibility a premium. If you think that not making yourself available to your clients will make them go somewhere else then you have bigger problems as they see you as an interchangeable commodity. **The ease of accessibility is one of the worst positioning acts you can do.** If you are immediately accessible how good could you be? This can be fixed with marketing. It should be an honour to get in contact with you.

The people who earn the most money are the hardest to get a hold of.

Don't take incoming calls.

If you are doing a seminar in your own town don't be introduced as being from town. They will assume you are the village idiot and it will hurt product sales. You need to be the wise man coming from afar with the big secret.

If you are getting product done, get it sent to your office rather than mailed out so you can check it.

CD 15A

Sacrificing phone upsell by having orders faxed in suits DK. It might not suit if you have a big upsell.

Be demanding with your vendors but don't replace an excellent vendor for a second rate one just because inaccessibility.

Have people book appointments. It's more professional.

Ideal Setup

- 1) Client Inquires
- 2) Get information
- 3) Prequalification questionnaire and ask for references
- 4) Talk to them to plan how it goes with them.

It should be hard to get to you and they should be prequalified. If you are selling you are doing something wrong. This should be done already in the marketing.

Respond Aggressively to Trends & Changes that Threaten Your Lifestyle, Security & Objectives

Act quickly and decisively to make radical changes to protect yourself.

CD 15B

If you have bad clients it's your fault because you bought them. Same goes with staff.

The Truth About Entrepreneurship Nobody Likes

The price you pay for all the benefits is you can't cry about things. What do you do if your Dad dies the before a seminar you're gonna give? Your obligations come first. Other people will not understand this and you will hurt them. You have to perform when required. If this isn't for you, get out now.

Sometimes stuff just doesn't work

What do you do when something fails and you've done everything right?? You will fail sometimes for no good reason. It happens. Don't obsess over it.

CD 16A

Don't be curious about the why's. There is enough stuff in the bag of tricks to keep working. To get to that stage find the commonalities in successful campaigns.

An example is the restaurant site locator guy who just went to MacDonalds sites and picked them as he reckoned their budget was way bigger than anyone else's so they must have done something right. He actually got fired but his logic is sound.

Look at the successful competitions ads and where they are.

There is an argument that in any business you should be using outbound telemarketing. The need to do it indicates some other problem. If you are too quick to use it then you are ignoring the problem. It is very intrusive.

If you put no sales person will call in all your front end marketing, don't sweat it because most people will not mind. The ones that do were not going to give you money anyway.

Lottery ticket and free sack of polish, handwritten letter, Clinton tape. Silver platter. Rough draft without silver platter send ahead of time for special customers with scribbles and mark ups.

DK spends \$65K on marketing per year.

Cold calling is very difficult and is a battle.

CD 16B

Lead generation has to be done in a qualifying way to be considered for what you do. Exclusivity and getting them to jump through hoops. Puts info into their hands and have them chasing you.

You don't profit from people who need it the most, but it's the people who don't need it and they are a small percentage of the population.

Put patented audiotechnic protection on cd's to reduce refund rates.

Joe Polish

He does tape of the month which features an interview with someone instead of doing newsletters. Charge \$25.95 + \$5 shipping per month and he includes a transcript. Of the interview.

You can manufacture credibility by teaming up with someone that does.

Coaching programs are \$249 a month with coaching calls.

Go to editors of trade magazines or anyone who is well known in the industry but isn't a guru and interview them. Call the tape Future Trends of the Industry.

CD 17A

Interview marketing guru's and all he does is ask them. Most people will do it if you are credible. Once you get one famous one the rest are easy. Direct response networking by becoming friends with them too and get them to speak at his seminars. Generally done by phone. He asks them to tell him about what they do.

He charges \$5300 a day for consulting. He charges \$5000 for the interviews.

A quick way to write a book is to get interviewed and transcribe it. You can also use it as a template for your newsletter. Give people some questions to ask you. You can also do teleseminars with them.

For questions try going through the table of contents of their book and ask questions on the titles. Also send the interviewee a list of questions and let them pick the question and ask what they would like to be asked in particular.

Doing interviews helps increase sales of other speakers.

The written agreement should be an unconditional release. You both have use. 90 minute interview.

You don't need to pay for it as you have created media which everyone wants. You charge instead.

CD 17B

Barry

Name your own price to go to a super conference for 5 seats and take top 5.

Good if you have a lull in your business. You will find that a lot of people will bid more than the price so it also helps you to raise your prices. Also get a sportscar for the clients to drive around to get them to buy the upsell based on emotional reasons. You could get a car dealer to pay for it.

Use a lot of testimonials. Always give feedback sheet for clients. **Also have a contest for best 3 testimonials this month and display each one in a different font. Display with pictures.**

A 10% price increase will allow you to lose 40% of your business.

Bundle services together if possible and give 3 monthly payments and an incentivised up front payment. Also allow to spread it on multiple cards.

If a card doesn't pay up try again a week later and it might go through.

Jeff Paul

Picture what you want and work backwards to figure out how to do it.

D 18A

Time management is about mental compartmentalising. Have a PA.

The only job you should have is marketing your business.

Group coaching is an option.

Direct Marketer needs an assistant write to me why you should get the job – job offer ad. Put hourly rate in ad.

If they are good ask for referrals. Avoid hiring family members. Outsource as much as you can.

Re-use sales teleseminars. Have audio on the site.

CD 18B

Biggest marketing mistake – not being able to view life through the eyes of the prospect.

There is a big difference between making money and managing money.

Put a list together of things you need to do to get you to your goal. Visualise the end product. Page 183 of book.

Develop a personality that your clientele can relate to.

Deadline and time blocking are the best ways to get things done.