

Dan Kennedy – Area Exclusive Notes

Interesting idea for a business. They franchise an existing business and then take care of selling the franchise units.

Another interesting business: they do lead generation and lead follow-up for the business they are dealing with and of course charge handsomely for it.

In almost any sale there is the switch and this is where you've sold them with your sales pitch and your marketing pitch about the benefits and about how it's just like magic and then once they hand you the money, you have to explain to them the reality in a way that's still palatable to them so that they don't get buyers remorse.

So the switch in an area exclusive style program is this: we will only accept one client per area. However, we cannot control any overlap if other clients decide to expand their territory. The way that they explain this away, the switch it to say a lot of your business will come from a referral, and so if somebody is referred to you, who is outside of your geographic location you don't want to lose them. They will not be happy working with somebody else and nobody wins. So, we don't have any hard and fast rules about you not moving outside of your territory.

Good contract languaging: marketing company is not assessing a fee for territorial exclusivity . Marketing company is assessing fees for services and for its own reasons, is limiting the amount of clients served in each market.

Tactic to create scarcity: if you're limiting the number of things that you're selling, then to everybody you're marketing to give a list of everybody who got the offer. So they open up the package and see a list of the 40 other people who got that same package, but who only one will get to buy. Remember, people are spiteful; often people will buy just to deny somebody else the ability to buy.

Selling points for small markets: "I won't make as much as you're saying I will because there aren't that many people or that many opportunities here in Bumfuck, Iowa. But I don't need to make that much to have a substantial impact because in this small town the cost of living is so low that making even a little bit of money will have a very big impact." This is something that you can say to them, but that sometimes they will say to you.

Good insight about pricing: for almost everything that you can sell, there are different levels of pricing. There is the quote "no brainer" price. This is where any qualified person who sees your offer will consider it a good deal to buy it at that price. Next, is where salesmanship and persuasion comes in. After a certain price, you have to justify what you're selling; you may need more proof elements; you may need more testimonials or success stories; you may need more steps in the marketing and selling process. And then the next level above that is when you're dealing with payment plans and payment options.

Saying that something is \$877 per month is different than saying it's \$10,000 per year even though it's the same thing.

You want to find the “sweet spot” in selling, where you're not making it extraordinarily difficult for you to make a sale, but you're also not leaving a lot of money on the table.

In environments where it's hard to split test this, the easiest way to do it is to make some sales and if it was very easy to sell, then raise the price and continue doing this until you find that sweet spot.

When you're selling somebody something that's designed to change something about their life, keep in mind, what got them to that position in the first place and sell to them using that underlying motivation. For example, to sell somebody on weight loss, you have to show them that they can still eat all of the foods they love; that is very important to them, because the love of food got them fat in the first place. To sell to somebody who's recently bankrupt, the most important bullet point is the promise that they'll immediately be able to get a lot of credit. Remember, you're not going to change their fundamental personality or behavior in order to sell; you can't. Instead, you have to sell them based on people that they are, and the motivations and behaviors that they have right now.

The bad news about host parasite marketing and relationships is that typically, the more money you give the host, the quicker the relationship will disintegrate; though no relationship generally lasts too long because initially the host doesn't think you're going to do very well. But, when he sees his customers handing over a lot of money to you, instead of being grateful for the money he's getting he generally thinks one of two things: 1) “I can't let this go on, because they'll have less money to spend with me.” Or, 2) “I should be doing this myself and keeping all the money.”

Even with fairly high priced items up to \$10,000 you can sometimes get away with just sending them an order form and a package of stuff and giving them a spot to order the \$10,000 full package. Alternately, you can give them that option, and drive them to a tele-seminar, so if they're not ready to pay the \$10,000 right now, then they can get on the phone to a sales pitch and then of course have follow-up phone appointments to answer questions & sign them up.

One of the biggest mistakes that people make in trying to sell just about anything is to not have enough steps in the selling process. The number of sales contacts that you need to make a sale is only going up as time goes on. People have less and less attention to give anyone of your contacts. Related to this is that most people don't have nearly an elaborate enough sales package; a simple sales letter is often not enough anymore. You need to have everything that you can think of to sell them; audio CDs, monologue of your pitch, interview with people, testimonials, video or DVD testimonials, the actual sales letter, prove pictures, white papers etc., etc.

As soon as you have a winner, you have to turn it on and ramp it up quickly, because in just about every market place there is somebody who will see what you're doing and

come in and do it cheaper. As soon as your numbers work, you'd better ramp it up quickly.

Interesting point: it requires less skill to make a sale one on one, because when one goes bad nobody else sees it; your strikeouts are invisible. Selling in a small group requires a certain set of skills. Selling in a larger group requires a different set of skills. Selling in a large room with hundreds of people requires a lot of charisma, a larger than life appeal. Selling in a small group 10, 20 or 30 people, it's often better to be much lower key, to be, "a real person." In any group though, the skill that's needed is to control them, to be able to move them to a buying state and then, to get at least one person to start the stampede.

Remember that especially with your first group of in depth clients, be it for consulting or big ticket exclusive, it's not just getting them to sign a check, and it's not just a one time thing. You have to live with these people and especially in your first couple, you have to live with them extra because you want to nourish successes.

Kennedy recommends using a pitch format no matter what you're selling. And the format he uses is first, invalidate any other option that they might be considering and leave yourself as the only logical option and then talk a lot more about the benefits of you as that logical choice.

Always remember when you're selling that people will buy the same thing for very different reasons. For example, Dan is talking about franchisees. Some people buy a franchise because they want to do the same job they're doing with out having a human boss. They say, "I want to continue being a mechanic, but I don't want to put up with Charlie, he's an asshole, so I can pay \$50,000 and buy a franchise, then I'll be the boss. Other people are what Kennedy calls "business owners." These people want to buy a franchise and maybe have 5 businesses or so, not too many, but they see themselves going to each business and collecting an envelope of money once every month and doing a weekly sales meeting with all of his business owners. These people are happy with a fairly small return on investment. Then, there are the empire builders; these people want as much and as big as possible. They want to start their own franchise and then sell 500 units or 5000 units.

The bigger lesson is that your sales pitch has to be different depending on who you are dealing with. If you are dealing with a "be your own boss," then you talk about freedom and you talk about investing in quality of life to hide the fact that the monetary return on investment sucks. If, on the other hand, you're talking to an empire builder, then you talk about the possibility of fantastic return on investment to hide the fact that it's very risky for them.

Great tactic: at a seminar, have the name of the seminar on the front of a T-shirt and then testimonials on the back of the T-shirt. Then through the seminar, you will do giveaways and prizes, but only to people who are wearing the T-shirt. This way, people are reading testimonials all throughout the seminar.

Look into business-to-business voice broadcast as of the area exclusive seminar. Kennedy said that be-to-be (B2B; b-to-b?) voice broadcast is still a viable option.

The “greener pastures” pitch: in other words, do something completely new or different than your current line of business will almost always out sell the “improve your business” pitch. Obviously each one has its positives and negatives. The positives for the “improve your business” pitch are that you don't have to make any radical changes, you're already 95% of the way there; we will just show you the best way to do it. The positives for the “greener pastures” pitch is that it's sexier; it's far more appealing to the adventurous spirit to do something completely new.

In a “greener pasture” pitch, it's easier to sell them using their dissatisfaction and discontentment with the way things are for them in their current business. When you're selling them a business improvement pitch, then it's harder to use that; you have to walk a tightrope in activating their pain, because if you stir up too much pain, they won't want anything to do with their current business.

The hurdles of skepticism that you have to get people past when selling them an opportunity:

Number 1: the thing itself is real to them; it's believable; it's understandable; they can see how it would work.

Number 2: they have to buy you. They have to accept that you're a real human being and not some made-up character and they have to believe that you pretty much are how you present yourself and that you have enough experience, credibility, believability, and that your story rings true enough to them so that they can trust you. This is why in copy you disclose a bunch of stuff and tell them a bunch of stuff about the person writing to them.

Number 3: you have to address the fact that they believe it works, they believe in you, but then they'll look for any excuse why it couldn't work for them. So this has to do with who you are targeting. You have to know who you're talking to and talk to them in a way that makes them believe that it will work for them.

Number 4: now they believe it could work for them. Then you have to overcome the hurdle of “Can I personally make it work for me?” In your sales or intro material to them, look at what you're telling them is a required of them. If it's something that they aren't good at or don't like doing, then you have failed this hurdle. You don't want to be telling people, in other words that it's a lot of hard work involved, but it's well worth it. Instead, you want to tell them about magic.

The next hurdle after “can I do it?” is “will I do it.” So you have to convince them that it's so easy for them to do it that it would actually be harder for them not to do it.

Next, once he believes that he will do it, then we have to move him toward the price and we have to convince him that the benefit outweighs the price by the hugest possible margin that we can get him to believe because essentially everybody wants something for nothing. There are all kinds of ways to show value: how quickly will I get back the

money that I lay out? How much total return on investment will I get? What are the non-monetary benefits like more time or more enjoyment of life? How will this help me stroke my ego? How will this help me get revenge on the people I don't like? etc., etc. There are many many ways to convince somebody that buying from you is a great value. If you jump or leave out any of these steps, then you're setting yourself up for trouble.

And the final hurdle to jump is, how does the guy pay for it. Once you have him believing that he can do it and he will do it, and it's worth the money, then its a matter of payments.

Next, the very internal-emotional hurdles.

Number 1: most people know that they do not know how to make a decision. This is why the recorded message works so well because most people don't want to get on the phone with a salesperson. They're worried that they will make a decision poorly. So you have to keep in mind that people are extremely reluctant to make a decision because they are terrified that they are going to make a bad one.

Number 2: people are afraid of losing money but they are more afraid of the two things that go along with losing money; looking like an idiot and not being able to defend a decision that's made. Remember that everybody you sell to is going to have to defend their decision to buy to other people. This is why good MLM recruiters would equip people with the defenses to the most common objections against MLM. Basically, it's an inoculation; you tell them what people are going to say and why those people are wrong. Similarly, when you're selling anything, you have to arm people with the logical explanations and reasons of why you're product or service was such a great deal so that they can not only defend themselves against criticism, but actually feel better when telling people what a good deal they got.

You should be leveraging off of their fear of the future or their anxiety about the future. In other words, paint for them a picture of the most undesirable future for them and convince them that without taking the action that you're recommending, this is their future. To do this you have to tear down what they think is going to save them. So, you might have to show them how it will be hard to sell their business, how raising interest rates will make the value of their homes collapse, how their particular industry is going to crash in the next five years except for those businesses that take the action you're recommending. Then, move them into taking that action.

Next, the fear or hatred of an enemy. This is where the lockout -- you can name three competitors, who I won't do business with -- or the area exclusivity comes in. Have them buy from you in order to spite an enemy rather than to help themselves.

Next, comparative dissatisfaction: "I thought I was doing well until I saw him." You can leverage off of this. Show them how much better other people are doing by using your system and how easily they're making it.

Next useful lever is membership. People want to belong, they want to feel like they're a part of something.

Next is structure. That's why franchises are so successful. They want a proven system that they can work to get results. Next and somewhat related is order from chaos; people want to feel like you can help them make sense of the craziness in their life and business.

Next, the authority figure or guru; people want to be led. They want somebody who can tell them a story with great congruency that they believe that promises something better.

Next, the magic pill can be a hugely motivating factor. In the “get rich in real estate for chiropractors” package that Dan wrote for a client, the pitch was “here is a the long list of things that you don't have to do.” There is one plan to follow, one thing to do that will guarantee you success, and I got it and for the right price, you can get it. People really don't want to learn how to do something; they would really prefer the pill; just swallow the magic pill and get a result.

The most important copy themes for selling opportunity:

Number 1: before and after. A dramatic before and after story and picture is very powerful in motivating people.

Number 2: share experiences or “you as them.” When you get it right, they say things to you like “its almost as if you were in my home or you were a fly on my wall, because you're saying the exact same things that I said” or “I can really identify with what your story is; its my story.”

Lifestyle checklist; here is what people want to do:

Number 1: Sleep late; the smashing the alarm clock with a sledgehammer story or some version of that is very powerful and will resonate very well. If they are now commuting they don't want to commute, if they are traveling, they don't want to travel anymore, if they are not traveling though they do want to travel. Remember the grass is always greener.

Next, they want no boss. They don't want anybody telling them what to do. They do want structure, but they want rules and a system but they don't want a human boss; they don't want anybody to have power over them. That's why the franchise sale works so well.

Next, people want to work less and make more. Remember Ron Legrand's “The less I do, the more I make.”

Next, flexible hours; they don't want to have to show up at a particular place at a particular time every day.

Next, they want more time with the family. Now, this is something that everybody says they rank #1, but for the most part, they say that because they think it's the right thing to say. It is important, it is on the list, but it's nowhere near #1.

Next, mobility; the ability to make money from anywhere. Stories about sitting on the beach for 3 hours a day and making the millions of dollars will resonate and help you succeed.

Next, amaze and be envied. This is the classic, “they all laughed when I sat down at the piano.” This is a great way to sell people because it resonates with the need to feel special.

Next, “if I can” or “if he can...” This is showing them somebody who people can feel superior to achieving success with your system or kit. The 23-year-old college drop out who made millions because people will think “if he can do it, I’m much smarter and more qualified, so it should be even easier for me to do it.”

Next, in the copywriting checklist: the magic pills and miracles

Next, the assurance that it's impossible to mess up the system or the product or the service that as soon as they get it, they will be forced to do it because it's so easy and so foolproof. Look at Kennedy’s Peter Lowe event pitch of magnetic marketing. He talks about how not 1 ounce of creativity is needed. In fact, it's better if you're not creative because the system has been designed to work without you.

Next, the skeptic to convert. This is the “I didn't believe it either until...”

Next, the perils of hesitation. This is because everybody will want to hesitate so you have to get them to act now. The historic story that you can use are things like the people at the first opportunity meeting for McDonalds who decided to wait and see if it caught on and how much money they hesitated. Obviously it's better if you have a story of your self or of somebody who hesitated on your business or even better, a testimonial from somebody who didn't hesitate and from somebody who did.

Next “the day that turned my life around.” This is best of done by Jim Rohn with his story of the Girl Scout cookies. It's the story of how you determined to turn your life around and inspiring others to do the same obviously by buying your product or service.

Next and final theme that Kennedy talks about is the ground floor opportunity. Even though everybody's skeptical about it, everybody wants it.

Next, proof. You have to prove everything you say, every claim you make. The more proof you have the more you should use. If you have 400 testimonials, use them all; don't use 40. Additional ways that you can prove: obviously, before and after pictures; obviously, successful students, testimonials, case studies. Less obviously, any authority figure or celebrity who is doing something even remotely similar to what you're offering. So Kennedy says, any coach should be using the Arnold Palmer story, where there is an article that talks about how at age 72 Palmer wanted to continue playing golf and knew that he needed to change his swing so he got a coach. The implicit message here is “are

you better than Arnold Palmer? If it's good enough for him, it should certainly be good enough for you." Kennedy calls this "who else" proof. Another type of "who else" proof is "who can I identify with, who is having success." The multilevel industry does this beautifully. Every month, it publishes a newsletter with pictures of people who hit their monthly goals and underneath the picture and their name is their a real job. So they have a wide spectrum of people from all kinds of different industries, and locations and backgrounds, so that anybody reading can see that somebody else is successful, and that somebody else is just like them.

An aside: there are almost an infinite number of ways to slice and dice a market. Perhaps the most useful one though is to look at what you already have. Who is already giving you money? And then reverse engineer from that. So if you have a woman who is with you, because she wants more time with her kids, then use that in segmenting to women. If you have a firefighter who is with you who is doing really well use his story and segment to fire fighters and so on and so forth.

So once you find a segment of the market that works, then create a whole piece for that segment, create a whole marketing campaign for that segment. Don't get lazy here and just use your generic piece with a lift note. When you're segmenting your list, what you're really doing is hunting for biases. Does age matter? Does gender matter? Does geographic location matter? Does income level matter? You want to be identifying whether or not any particular set of your list is more responsive than another. And when it is then you go after more people like that who fit that profile. This is really just getting back to message to market match. There are biases to be found in anything and exploit it. Most people are just too lazy to do it properly.

One of the things that you really have to convince people of that makes it much easier to sell them is that either you're giving them something for free or that by buying what you're selling, they will eliminate a cost in their lives that is much greater than what they are paying for what you're offering. So you might sell your business to a larger competitor and the internal logic of that competitor is "it will cost me less buy this business, then it will to continue competing" or you sell a method of doing something that dramatically lowers their cost of doing business. So they're willing to give you \$5,000 because you can show them how it will save them \$10,000 per year in advertising costs while still making their business more money.

One of the great ideas that came out of the program is that of building your secondary herd through the area exclusive programs. So, what this is is you're dealing with a group of chiropractors, and you tell them that you will take care of a mailing to their list every month. So that once a month you are mailing them something. This gives you the opportunity to contact a very large number of people. If every chiro has 300 active patients and you're dealing with a hundred chiros, you now have a secondary herd of 30,000 people who you know are actively interested in health, wellness, who will buy into things without too much scientific scrutiny, etc., etc.

I believe now that the only section of the course that I have yet to really take notes on is the training your bank to do your financing and loans to the people who are buying your course and obviously with that, the section on dealing with financiers. So check that out, and I believe that will take care of the area exclusive course.

It's always a useful reminder to remember that price limitations are almost always just in your head as the business owner. They rarely exist in the market place in general or they exist on a much smaller scale than you scare your self into believing.