

# 63 "Killer Marketing Strategies

- *By Dan S. Kennedy*

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## **63 "Killer" Marketing Strategies**

**How To Insure  
That Your Product/Service/Offer  
Is The Best It Can Be,  
Presented The Best Way  
It Can Be**

*By Dan S. Kennedy  
Marketing Strategist*

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# Introduction

4 :58 PM  
Saturday

I've just come home from a 2 1/2 hour meeting with a new client. In our discussion, I stopped him from making a terrible mistake with a premium that would have cut the sales of his promotion in half - it was a violation of Principle #12. I also showed him a different way to use exactly the same premium that would enhance sales, not diminish them.

Why do I tell you that? To brag? No, that's not necessary; you've already bought this book. And I have no burning desire to be a show-off. In fact, I grow more reclusive with each passing year. I tell you that because this fellow is a smart, successful businessman with many years of experience under his belt, and he has had the help of a number of other sharp people in putting together his business plan, before getting to me. Still, he and they all missed this fallacy in their plan. Not because they didn't know enough to spot it: I know for a fact that they did. Not because they chose to ignore it; only because nobody, no matter how smart they are, can think of everything, every time, without a checklist.

Pilots forget to put the flaps up. Surgeons leave utensils inside people and sew 'em up. As recently as six months ago, I was so mentally preoccupied with something that, when I pulled my car into a parking space, I got out and started to walk away, leaving the damned thing in 'drive', running.

In this book, I've done my level best to build the very best marketing checklist ever devised. My idea is that each and every time you create or modify a product or a service or a promotional offer, or an entire business; each and every time you're about to spend some hard-earned money on advertising, you'll take out this book and go through it cover-to-cover, one Principle after the next, checking to make sure your current brainstorm has taken every one of them into account. The plain truth is that I created this thing for myself. Then, having put so much work into it, I couldn't get any sleep until I figured out how to sell it. But now that I've done it, I'm pretty pleased with it. With it in your hands, you've got a knowledgeable, properly critical consultant on stand-by, looking over your shoulder to make sure you put the flaps up, take the forceps out, and shut off the ignition. This will keep you from making a fool out of yourself, if you use it. I hope you will.

Dan S. Kennedy  
The Author

## Beware Creativity

Creativity can creep into the picture many ways, including your own boredom with your business; overestimating the sophistication of your market; taking advice from unqualified sources, etc. The most important thing to remember, as David Ogilvy put it is: creativity is what sells.

Every element of an ad, printed piece, or strategy should advance the sales process. *If something does not move the prospect closer to purchasing, what is its purpose?*

It's interesting to note that much of the advertising that wins the awards and the approval of the advertiser, his associates, friends and family members fails miserably in selling anything.

Most marketing purposes can best be served by sticking to the proven basics, rather than relying on the current creativity fads.

**Principle #1: Ask yourself - are we being creative just for the sake of being creative?**

**Principle #2: About humor - being funny in marketing is risky. When it works, it's wonderful, but it flops much more often than it works. Ask yourself - why are we trying to be funny? Does it capture attention better than any other mechanism? Also, a tip - being funny is safer with regular customers than with new prospects.**

**Principle #3: Watch out for the "creative graphic artist" in putting together your print media. The Artist is irresistibly tempted by creativity for creativity's sake, to justify his existence!**

## USP

Without a UNIQUE SELLING PROPOSITION, marketing is a tough challenge. Having a USP that can be clearly and concisely stated often makes marketing easy. A good USP should:

- differentiate you from any and all competition
- emphasize a positive, desirable customer benefit
- be easily understood

One of the best examples of USP helped Tom Monaghan build an empire in a stagnant, over-saturated industry. "Fresh, hot pizza delivered in 30 minutes or less -- guaranteed!" Not only is this a terrific USP based on the above criteria, it actually reveals a masterful insight into that particular customer's overriding concern; in this case, not the best tasting pizza, not the best ingredients, and not

price; delivery. (Incidentally, Tom Monaghan is a savvy marketer. An exclusive interview of mine with him appears on the following pages. I also suggest you read his book: PIZZA TIGER.)

**Principle #4: Why should I, your prospective customer, choose you vs. any and every other alternative available to me? You MUST answer this question!**

**Principle #5: If you offer the same product or service as someone else, one of you is unnecessary.**

# **An Exclusive Philosophy Of Success Interview** with **THOMAS MONAGHAN** Founder, Dominos Pizza

Our May/June Issue profiled Mr. Monaghan and featured excerpts from his great book, PIZZA TIGER. Mr. Monaghan is one of the true, modern-day Horatio Alger stories. A brief, capsule biography of Mr. Monaghan is reprinted below, then our exclusive interview begins.

*Meet Tom Monaghan: 23 years old, no college degree, no business experience, no money. He and his brother, Jim, open a small, ordinary pizza shop at the edge of the Eastern Michigan University in Ypsilanti, Michigan in December, 1960. Their sales for the first week were an unimpressive \$99.00. After about eight months, Jim abandoned the partnership - trading his half for it battered Volkswagen Beetle that was being used for deliveries.*

*Meet Tom Monaghan: 50-year-old CEO of DOMINO'S PIZZA, with 3,846 stores in all fifty states plus seven foreign countries, providing sales of nearly \$2-billion! Toni Monaghan is also the owner of the Detroit Tigers baseball team - a \$35-billion purchase.*

No, they are not two different people, coincidentally carrying the same name. Tom Monaghan is Tom Monaghan: entrepreneur-extraordinaire! He transformed his little pizza shop into a giant business empire by developing and adhering to a simple, successful concept (delivery of a hot, tasty pizza in 30 minutes or less), incredible persistence, hard work and a set of remarkably simple values. Now, he has chronicled his story of struggle and triumph in a new autobiography: **PIZZA TIGER**.

Tom was raised in a Catholic orphanage. He joined the Marines because he could not afford to go to college. He started in the pizza business with a \$500.00 investment in the single store and, despite the partnership break-up, a near bankruptcy, a mismanaged expansion effort that caused him to lose control of the company and have to fight to get it back. Tom has built the most successful pizza delivery business in the world. His story is an outstanding example of how to overcome adversity in order to achieve success.

# **An Exclusive Philosophy Of Success Interview with THOMAS MONAGHAN**

**POS: Describe your personal success philosophy and how you developed it.**

TSM: The techniques I applied in building Dominos were developed mostly by trial and error. But all of them *were* based on a homemade philosophy I call my *five priorities*. I first came up with this list during a voyage from the Philippines to Japan while in the Marine Corps. I had plenty of time aboard that troopship to reflect on my life and goals, and I haven't changed my list in any way since. My *five priorities are: spiritual, social, mental, physical and financial, in that order.*

**POS: If you would, elaborate on those five priorities.**

TSM: First, spiritual, my religious faith. I know I can never be a success on this earth unless I am on good terms with God. *In my early years I was hit by a long series of difficulties. But I was able to get off the floor every time and come back stronger than ever because I believed in myself.* That's what the power of faith did for me. My spiritual priority as far as business is concerned is expressed in the Golden Rule. To be successful, you must have a good product, give good service, and apply the Golden Rule.

**POS: Tell us about the social priority.**

TSM: Having a loving wife and family - that's essential for a happy and productive life. My wife, Margie, was in my corner through all those tough battles of the early years at Dominoes Pizza. To say I couldn't have succeeded without her would be a tremendous understatement.

After family on my scale of social relationships come friends. Nobody can succeed in business without friends. Community involvement is another important part of my social priority. A business has an obligation to participate in programs to help the community that supports it.

**POS: Describe your mental priority.**

TSM: The purpose in having a strong mental priority is that it is the key factor in maintaining a healthy mind and a clear conscience. A healthy conscience fosters self-esteem, a positive attitude *and an* optimistic outlook. All these things promote success in *business*. I firmly believe the mind needs exercise. It will grow in capacity and thinking ability if it is forced to by constant questioning and the desire for new information.

**POS: And your physical priority...**

TSM: It may sound corny, but I subscribe to the idea that the body is the temple of the soul. That's why I place so much emphasis on maintaining a healthy physical condition. I try to work out 6 days a week, and run to work at least 3 times. It alleviates stress and really gets my adrenaline going. I can't think of a better way to start my day.

**POS: Now we come to your financial priority - last on your list, which will probably seem a little odd to our readers. Why last?**

TSM: The *financial priority* is last on my list because it arises from the others. I *know that* if I attend to the first four properly, *financial success will follow*.

**POS: You're known to have a large, extensive self-improvement library. What are the business and success books and authors that have had the greatest impact on you?**

TSM: While I credit my ordered list of personal priorities as being responsible for my success, I did turn to other sources for suggestions and guidance. Two that come to mind right away are Napoleon Hill's THINK AND GROW RICH, and the Dale Carnegie courses and publications. You can never read too much, but always know that you have final editing privileges and can use what information and advice you feel is valuable and ignore the rest.

**POS: Do you recommend any other books?**

TSM: I have a standard list that I recommend to help people as they get started in life, business or any venture:

- THE ONE-MINUTE MANAGER
- IN SEARCH OF EXCELLENCE
- THE SKY'S THE LIMIT by Wayne Dyer
- THE AUTOBIOGRAPHY OF FRANK LLOYD WRIGHT
- UP THE ORGANIZATION
- any publication by Knute Rockne
- GRINDING IT OUT by Ray Kroc
- CORPORATE CULTURE
- HOW SHOWMANSHIP SELLS
- MY LIFE AND MY WORK by Henry Ford

**POS: Let's delve into your success story. How did Dominos start?**

TSM: I was in the process of enrolling at the University of Michigan and operating a newsstand in Ann Arbor when my brother Jim, who was a postal worker, came to me with a terrific proposal for a business partnership. He had a chance to buy a pizza place in Ypsilanti, Michigan from Dominick DiVarti. The place was known as DomiNick's. Jim

proposed that we buy it together and take turns operating the place. The selling price was \$500.00, plus assumption of a few thousand dollars in debts. It seemed like a big obligation, but the store only operated 7 hours a day, from 5:00 to midnight. I figured I would work 3-1/2 hours, Jim would work 3-1/2 hours, and the income would put me through architecture school. I could see myself becoming an architect and a wealthy pizza entrepreneur at the same time!

**POS: What were those early days in business like?**

TSM: Those days were my education. My confidence rose quickly during those early months in the warm kitchen of DomiNick's. I was learning something new. Sales were climbing. I spent a lot of time developing the product. DiVarti took Jim and me to his Ann Arbor store and gave us a few lessons in pizza making. He claimed the secret of a good pizza depended on the sauce. His statement made a lasting impression on me, and I spent a lot of time developing the sauce.

**POS: Did you get much continuing training or help from DiVarti or anyone else?**

TSM: I learned mostly through trial and error. I soon knew what sold and what didn't; where we made money, where we lost our shirts; and how to speed up the pizza-making end of the business.

**POS: When did you begin to see your business as a big business?**

TSM: About 8 months after starting, Jim came to me and said he wanted out of the partnership. He was concerned about jeopardizing his job at the post office. I, on the other hand, was committed to the pizza store. I had given up my newspaper enterprise. I felt the weight of the debts we had to pay off. With Jim stepping out, my hope of running the business part-time and going to school full-time flew out the window for good. It was a setback, but I took it in stride and felt optimistic. I told myself to accept the situation as it was and *turn what seemed to be a negative into a positive. In that instant, I made the decision to commit myself, heart and soul, to being a pizza man! And the funny thing was, I felt a sense of relief! My purpose was clear. I thought of all the dreams I'd had of being wealthy and successful, and I told myself, "if it is to be, it's up to me."*

**POS: Many entrepreneurs look at your example as real proof that they can succeed in a big way, too. What advice can you offer such a person?**

TSM: *The best advice I can give is not to give up if you believe in yourself and your goals. I think that kind of determination sets an entrepreneur apart from other businesspersons. That 'never give in or give up' attitude is so important!*

Looking back, I'm sure a majority of people, if asked to advise me on my business affairs, would have said to bail out. But I didn't, and-the payoff has been tremendous.

**POS: What's the biggest business problem you ever faced and how did you overcome it?**

TSM: The biggest problem was losing control of Dominos Pizza in 1970. Some very serious financial errors and poor management decisions put the company about \$1.5-million in debt. It took me two years to turn things around and gain control. In that time I did a lot of reflecting on what went wrong. Primarily, I believe our problems involved sending inexperienced managers out to run our stores; expanding too rapidly.

**POS: From that experience - what do you think your greatest strength is as an entrepreneur?**

TSM: With the business problems I've suffered along the way I've always held the attitude that the best solutions and plans of action are created through trying and failing. *Failure teaches you to find the positives that all adverse situations contain. So, I believe one of my greatest strengths is the ability I've developed to turn adversity into advantage.*

**POS: if we can do a little word association --- just give us whatever pops into your mind as a result of these words .....PERSISTENCE.**

TSM: It proves that you really believe in what you're doing. It is a necessary ingredient no matter what you're trying to attain.

**POS: ENTHUSIASM.**

TSM: I read somewhere that Freud said the two most important things in human existence are *love* and *work*. I agree. And I think people are at their best when they combine the two and love their work.

**POS: VISION.**

TSM: Of your list, I believe vision is most important. It was such a driving force for me! Without vision it would have been impossible for me to be effectively persistent. From almost the beginning, I saw Dominos as being a strong force in the future of the food industry.

**POS: COMPETITION.**

TSM: Competition makes all the work and all the efforts more fun and meaningful. The idea of being in competition with other fast food establishments has been a strong part of my drive. I have to add that I firmly believe in competing by the rules. I don't believe you've really won unless you've done it fair and square.

## **POS: What's next? What lies ahead for Tom Monaghan?**

TSM: Because I am a goal-oriented person, there are a lot of things that lie ahead for both Dominos Pizza and myself. Professionally, I'd love to see Dominos become the #1 fast food chain in the world. Personally, I will see my dreams and plans for Domino's Farms in Ann Arbor, the site of our world headquarters, carried out.

This Exclusive interview was possible through the personal co-operation of Mr. Monaghan and Ms. Anna Chaperis. Philosophy Of Success Magazine appreciates their assistance. Mr. Monaghan's new book, PIZZA TIGER, is available in most bookstores.

## **Principle #6 Attack On A Narrow Front**

In their marvelous book: **MARKETING WARFARE**, Ries and Trout's Offensive Warfare Principle #3 is: "Launch the attack on as narrow a front as possible."

As you evaluate your competition, you should be looking for a narrow-focus aspect of business to attack, rather than going head to head with every product or service offered by the competition.

In the "instant printing" or "storefront printing" business, companies like AlphaGraphics and Kinko's Copies did this brilliantly. Although, like their competitors, they do just about any type of printing, including envelopes, booklets, etc., they focused all their marketing muscle just on "copies."

Unlike most independently owned, neighborhood pizza and Italian restaurants, Dominos kept its menu to a minimum; just pizza and one brand of soft drink, so they could attack on the issue of delivery.

A frequent, natural and understandable entrepreneurial error is "spreading oneself too thin." There are so many terrific opportunities! So many great ways to promote! Like a kid turned loose in a candy store, we over-indulge. We must pick and choose the battles we'll wage and the battlegrounds we'll fight on carefully, strategically. If we say "yes" to every opportunity, we'll spread our resources so thin, giving a little to a lot of different projects, that every project will be cursed with insufficient resources. Instead, we want to funnel our resources. We want to divide our resources between only a handful of projects, so we give more to fewer projects.

## **More About The Importance Of Market Niche**

To operate as a "generalist" takes huge sums of money. To open, inventory, staff and operate a department store, for example, obviously costs a great deal more than to open a specialty retail store. In the bookstore business, the independently owned bookstore is virtually extinct; they cannot compete with Walden's and Barnes and Noble. But there are independently owned Mystery Book Stores doing quite well.

In mail order, the same principle applies. To go up against, say Eddie Bauer and sell all sorts of outdoorsy-wear, is going to be a tough, very costly proposition. But you might be able to build a successful business selling appropriate outerwear just to trout fishermen with a helluva lot less money and risk.

It seems to me there's a wonderful opportunity right now in the "hair business" for a chain of up-dated, modern male-oriented barbershops.

**Principle #7: As a general rule of thumb, I think you need 20 times as much capital to build a generalist business than to build a specialized business.**



## Create Names That Communicate

I believe that the name of a business, product, service or offer should communicate what it is or does. Why make it tough on the customer? I drive past businesses with names that could be restaurants or could be gift stores or could be God-knows-what. How can this possibly help business?

The people at Marriott are generally pretty sharp, but whoever conned them into changing the name of the Big Boy Restaurants to JB's Restaurants should be shot. All those years and dollars building that name and character identification thrown away in favor of a "nothing name." This is a big, big mistake. A much better move: "Marriott's Big Boy Family Restaurants." Keeps the established ID, adds the quality Marriott name, adds "Family" to imply meals, not just sandwiches.

You've got to think very carefully about product, service, offer, publication and business names. They should earn their keep. They should add something to the marketing process, not detract from it.

EverReady is a much better name for a battery than Ray-O-Vac.

Obviously, you can point to exceptions. After all, "McDonalds" could be just about anything, couldn't it? Yes, but first remember that Ray inherited that name, he didn't choose it or create it. Second, do you really want to make their kind of investment in creating name recognition?

**Principle #8: Choose a name that makes a positive contribution to the marketing process.**

March 3, 1989

Even the biggest and the best can be stupid. The May Company Department Store chain, having acquired our Arizona Goldwaters stores, has announced it will change the chain's name from Goldwaters to Robinsons.

Is this smart?

Consider: the Goldwaters chain was created and built in Arizona by the famous Goldwater family, best known nationally for the crusty Senator Barry Goldwater. The name in Arizona is as old as Arizona. Specific to the stores, it is generally regarded as the highest quality or, if you will, elite department store. Millions and millions of dollars of cumulative advertising has built this name. Free publicity occurs every time Barry makes news, which he still does with regularity.

Presumably, the decision to change the name is motivated by a desire to connect with the strong West Coast identity of Robinsons.

Given all that, what would you do?

Well, the one thing I definitely would not do is abandon the Goldwater name.

I might call it: The New Goldwaters'. Or I might call it: Goldwaters & Robinsons. Or: Robinsons & Goldwaters.

# Personality

People generally Prefer dealing with other people not nameless, faceless entities. Many mail-order company leaders have discovered this and thoroughly injected their personalities into their catalogs-- such as Richard Thalheimer, Lillian Vernon, etc. It's worked pretty well with Laccoca at Chrysler, too. I believe most marketing, to consumer or business-to-business, can be enhanced by funneling the message through a single dynamic personality with whom the customer can identify and relate.

Example: in the casino-hotel business in Las Vegas, nobody does this better than Bob Stupak, owner of Vegas World, on the Strip. My exclusive interview with Bob and my article about him is reprinted on the following pages.

Consider the personality of *Mickey Mouse*, quite possibly the most effective spokesperson- personality the world has ever seen! Emperor *Hiruhito* was buried wearing his *Mickey Mouse* watch! And more Chinese kids watch *Mickey* on TV everyday than the entire U.S. population. If world peace ever breaks out, it will probably be because of this character and the ingenuity, sincerity and goodwill he represents. Imagine inventing and owning such a personality.

*Bill* Cosby - the perfect personality for Jello products. Colonel Sanders. For every one of these superstar personality examples, there are hundreds of lesser known but nonetheless effective examples. In business-to-business marketing, the President of Viking Office Products is a shining example. Bill King, the founder, is a powerful, believable and likeable spokesperson for the Brake-O repair shops.

**Principle #9: Most businesses/products/services can benefit greatly from either an actual (owner) spokesperson, celebrity spokesperson, or created character spokesperson.**

# Interview With Bob Stupak Of Vegas World

by Dan S. Kennedy

In Las Vegas, the talk about Bob Stupak is never "neutral"; it is positive or critical or satiric, but never "neutral." The brush boy wonder of the far end of "The Strip" has transformed the Vegas World Hotel and Casino from a small joke to a giant contender, using innovative marketing and entrepreneurial techniques unheard of in the gambling-hospitality industry.

His is a rags-to-riches story with some added mystery and drama appropriate for a glitter-city entrepreneur: he was accused of burning down his first casino for the insurance money. Stupak has heard so much criticism, he generally replies only with his phenomenal record of accomplishments. However, in this Exclusive Interview, he agreed to answer any and all questions posed to him.

I met with Bob Stupak first in the coffee shop, then at an unused poker table in the casino in his Vegas World properly. I have visited Vegas World maybe a dozens times, in the last several years, and it has always been under construction - the main floor interior was re-done last year in an outer space motif; now the showroom is being remodeled. In spite of the non-stop change that has become an unadvertised Stupak trademark, the main casino areas and the lower rooms are so well done that Vegas World was used as the filming site for many scenes in the NBC-TV series *CRIME STORY* in 1986.

As we sat in the casino talking, customer after customer stopped to say hello to Bob, most acting as if they were old friends.

DAN: *That's the fourth person who's stopped to talk with you but they don't exactly look like high-rollers.*

BOB: They're not. We have some big players who are regulars but also a lot of other, smaller players – even a lot of locals. I know many of them, and many more of them feel they know me.

DAN: *You seem to cultivate that. Do You?*

BOB: Well, it's one of the ways Vegas World is different You can't exactly go into Caesar's or Bally's, lose your money and shake hands with Caesar or Bally. Here, people know who they're losing to or winning from - me.

DAN: *Isn't that sort of it throwback to the beginnings of this business?*

BOB: Sure. In the 40's, it was Wilbur Parks' Desert Inn, Sam Boyd's California. There's still Binions. But there's no casino owner today as visible as I am. **People know who I am and that they're**

**doing business with a person. We compete with the personal touch.**

DAN: *Well, let's back up and find out how Bob Stupak got to be king of Vegas World. How'd you get started its business?*

BOB: At age 19, I put together a restaurant coupon book and a phone room operation to sell them. I built that business into Dine Out Clubs Of America. Along the way, I sold the business once, went to Australia for eight years and did business there. My ex-wife has the Dine Out business today, although I kept one city - to remind myself where I came from. When I went broke, I went back to the coupon book business and was out on the street selling, right back where I was when I was 19. That was tremendous inspiration.

DAN: *Give us Your Vegas chronology.*

BOB: My first casino, a tiny slot-machine casino, burned to the ground six weeks after I got it. I was able to move the license to another little place - only \$900.00 a month rent. Ultimately, I sold the place for really just a few thousand dollars and used the money to get Vegas World. You know, I bought this property dirt cheap. I thought it, I, was on the strip. I was so dumb I didn't know that "The Strip" ended at the Sahara. Most of the owners of the hotels on the strip laughed about the dumb kid who bought this lemon location. Turns out my customers don't know where "The Strip" ends either.

DAN: *You've built a giant entity here, so your philosophy obviously works.*

BOB: I guess so, but I don't feel all that successful. I feel like I'm always struggling. If I didn't, I don't think we'd keep growing.

DAN: *Can you elaborate on that - give me an example?*

BOB: The new tower is a good example. See, we don't owe anybody anything. I borrowed to build in 1978 but never have again. Bankers and I don't get along very well. So, we pay cash as we go for everything. That new tower finally cost eleven million dollars.

DAN: *Are you saying that you saved up eleven million in cash to build the tower?*

BOB: No. I got enough money to do the plans, then started building. We'd go as far as we could, stop, wait until I had enough money to build the next floor. Just one month at a time and, before I knew it, it was finished. But I doubt that I would have worked hard enough, promoted hard enough to make that eleven million in that short period of time if I hadn't been committed to the

tower. I mean, that's eleven million dollars taken right out of the current cash flow and profits of this place! **What I do is constantly take on projects that I can't afford so that I keep creating and working.**

DAN: *It's in my observation that there is more marketing and promotion going on here than with most casinos. Is that your work?*

BOB: Marketing is what I do. I can hire terrific, qualified people to do just about everything else but marketing is what brings in the people, brings in the money, so that's what I do. I have over 100 different marketing methods working at one time.

DAN: *100? I'm aware of the Vacation Club packages. Is that your're main method?*

BOB: Funny - the Vacation Club package is a sophisticated version of the coupon books I started in business with when I was 19. We advertise those in PLAYBOY - at \$36,000.00 a page, I think; PARADE MAGAZINE in many Sunday newspapers, at over \$100,000.00 a page; and in many other magazines. (\*1) We also distribute little, mini-coupon books, free, by the ton. **Five million** coupon books a year. These bring in several thousand people on a good day, some staying here, most just passing through and playing. We spend \$300,000.00 per month running tour buses.

DAN: *You're also famous for the weird games, aren't you?*

BOB: Not as much as I used to be. In the early days, when I couldn't afford to do as much advertising and marketing, I had to find ways to get publicity. So, I altered the games. In 1979, for example, I made national news with "Double Exposure 21." I created my advertising for it first, by the way. Then I got the mathematicians and computer people to figure out how to make it work. The same with our "Crapless Craps." These kinds of games are tied to my being known as "The Polish Maverick."

DAN: *I notice that the neckties your dealers wear are imprinted with the Words: He's Polish! That's obviously part of the Polish Maverick idea, right?*

BOB: Yeah. The whole thing's just plain fun. People think it's funny. It communicates that I'm a regular guy.

DAN: *How do your peers in the casino industry view you and your innovative promotions?*

BOB: I don't really have any peers. The others are all big corporations

run by bankers, accountants, executives in pinstripes. I'm a gambler.

DAN: *In the entrepreneurial sense?*

BOB: Yes, but in the gambling sense, too. I gamble personally. My biggest bet was \$800,000.00 on a fight. Does that sound shocking? I gamble millions here every day, too. When somebody comes in here and wins big, that's my money he's taking from my pocket to his. I'm thinking of building a second 1,100-room tower. That's gambling another 25 million dollars.

DAN: *Back to - how do others in tire casino business view you?*

BOB: Why don't you ask them? Some think I'm a joke, even as I'm sneaking up on them. I'm glad they don't copy what I do. If Caesar's did it, everybody'd copy it. But, because it's me. the oddball, nobody copies.

DAN: *Did your recent campaign for Mayor cause the city and the industry establishment to take you any more seriously?*

BOB: I don't know about that. I sure got a lot of press. And we wound up with the biggest voter turn-out in Vegas history. But, as you know, I lost.

DAN: *Want to talk anymore about it?*

BOB: Not really. I don't like losing. But I understand. I was bucking the entire establishment. They were afraid of me; they knew I would be 100% independent. I was also bucking my own promotional image. Some people were probably afraid that I'd paint giant spaceships on City Hall. (\*2)

DAN: *Last year, CRIME STORY filmed here but not this Year. Any problems with NBC?*

BOB: No. It was good for us. I assume good for them. But it is such a disruption I couldn't afford to have it continue year after year. You'd be amazed; I watched 135 people involved in filming a simple 90-second sequence. The cost of all that. The time. Incredible.

DAN: *Is the movie business in your future? What is next for Bob Stupak?*

BOB: As a matter of fact, we are in pre-production on a movie I want to make. My hands-on control. I could shoot that same scene with six people. I think I can make a movie for 1/2-million dollars

that will look like a typical ten million dollar production. I'll still be here, though. I moved, so I live within a few minutes of this property. I'm building a new second floor showroom. This is more than just a business to me.

DAN: *Bob, thank you for your time. I'm certain our readers will see many success principles and lessons in your comments. Thanks and good luck.*

(\*1) The Vegas World Vacation Club will probably be advertised in a future Success Bazaar Supplement to this Magazine.

(\*2) This comment refers to the dramatic outer space theme of the entryway to Vegas World.

PHILOSOPHY OF SUCCESS MAGAZINE issues its special International Doers Family Club Membership to Mr. Stupak. We appreciate his giving of his valuable time to this interview.



## More About Personality

I just heard ol' Tom Bodett on the radio for Motel-6, with the country fiddle music in the background and the friendly tag line: "and we'll leave the light on for you." These radio commercials have been fabulously successful, and it's easy to understand why. As I listen to him, I get sucked right in. He's a friendly voice to a lonely traveler. He says that eating a pizza on the bed while watchin' TV is the price of success. But if you're lonely, you can call home with no nasty hotel surcharge on the call and listen to the kids fight. Even knowing what miserable, bland crackerboxes these motels are, he makes me want to like them.

I remember reading an article somewhere about Tom, and how surprised he was at the success of the commercials, and how happy he was to get the money they paid him for them. Well, he's worth every penny.

A lot of spokespersons aren't.

If given a choice of marketing tasks, I prefer working on a project with either a strong celebrity spokesperson or, in my opinion, better yet, a strong owner spokesperson. You can throw celebs and athletes around all day long and you still can't beat Lee Iaccoca talking about the customer's bill of rights. And where is GM's Chairman, anyway? I suspect Perot is correct; he's hiding. From Iaccoca, you just get the feeling that this guy might actually visit a service department once in a while, eat ribs with his fingers, have a couple beers and cuss out the refs.

I think John Madden's a good choice for Ace Hardware. You can picture him bumbling around the house, trying to fix something and screwing it up. I don't think the actress from 'Moonlighting,' what's her name, was a very good spokesperson for the beef council. Somehow I doubt she eats real food. How about you?

There's a wonderful marketing principle that can be applied to many different situations, that says: people want most what they get the least of. Denied access increases desire; that's why sexual excitement's tough to carry off in a marriage. As a general observation, we mostly have to deal with "impersonal" institutions, computers, and "impersonal" people. It's getting worse, not better. So give your public a really friendly, personable, believable, "regular guy" to deal with and they'll be thrilled.

By the way, think about Ronald Reagan for a second. I'll bet you could list 100 products, services and companies he'd be a great spokesperson for. Now try the same exercise with Carter, Mondale or Dukakis.

## Specialization

No doubt you've heard the old joke about the husband who comes home from his first visit in a while to the supermarket, amazed at all the changes that have taken place there since the last time he'd gone. "Everythin's specialized," he tells his wife. "Why, they even have a Vice-President in charge of prunes." Of course, she doesn't believe him, calls the store, and asks for the V.P. of prunes. The voice on the other end asks: "Pitted or dried?" Well, this is the Age Of Specialization, and specialized products for specialized purposes and specialized markets have more value than generic versions of the same product.

*Example: here in Arizona, we have "Sun Tea. " It's very popular to put tea bags and water in a jar outside and let the sun brew it naturally. And, although any jar works, the stores sell huge quantities of SUN TEA JARS. (They are ordinary glass jars, with the words SUN TEA JAR silk-screened on them. They sell for as much as \$15 in some stores!)*

*Example: by taking our basic marketing advice and packaging it as "practice promotion advice" for Doctors, we're able to charge roughly double for it in book and tape form.*

I just recently saw a TV-commercial for a line of microwaveable dinners labeled: KID'S KITCHEN, for the kids to prepare for themselves. Listen - microwaved spaghetti is microwaved spaghetti, but I'll bet you'll find kitchens stocked with "adult" microwaveable spaghetti dinners and these Kid's Kitchen dinners. This is very savvy thinking!

**Principle #10: How can you customize your offer so that it is specialized (not generic)?**

## BUYING MOTIVES

Success in marketing depends greatly on our ability to match a product/offer with existent, strong buying motives? Although there are many different adaptations for the most basic of motives, we always begin with the most basic of motives, which is:

### **AN EFFORTLESS, MAGICAL, INSTANT -QUICK FIX**

Example: observe weight-loss ads, print or broadcast. One of the most successful of these in recent history was headlined: LOSE WEIGHT WHILE YOU SLEEP.

Example: one of our all-time best-selling business-oriented Audio Cassette products is a program directed at the receptionist/secretary, teaching effective telephone skills. We produce a version of this product that we market under our own label, another version for chiropractic and dental offices; and we created a version for a client which they sell in their catalog. Why is this product so successful? Because the employer sees it as an effortless quick fix; buy it, hand it to the employee, and she's trained.

Example: the remarkable success of 'subliminal cassettes' is due to the idea that they create positive change with no effort on the user's part.

**Principle #11: Have we made getting desired results with our product/service sound as EASY as possible?**

## BUYING MOTIVES

From the book: **BREAKTHROUGH ADVERTISING** by Eugene Schwartz:

"The power, the force, the overwhelming urge to own that makes advertising work comes from the market itself, and not from the (advertising) copy. Copy cannot create desire for a product. It can only take the hopes, dreams, fears and desires that already exist in the hearts of millions of people and focus those already existing desires onto a particular product."

This is why success comes from identifying a buying motive and structuring a product-service-offer to fit it not from creating a product-service-offer and then going in search of a buying motive for it.

No amount of advertising can sell a product no one wants.

Example: in 1988 or 1987, there was considerable publicity about a new product called "Le Fuenelle" --- a disposable paper funnel device that makes it possible for women to urinate without sitting down. Most recently, I read in the trades of the extraordinary difficulty the inventor was having in marketing this product. I wonder why.

**Principle #12: Does somebody really WANT (not just: need) your product?**

## Needs. Wants.

Zig Ziglar\* coined a marvelous phrase: "Emotional Logic." I don't care if you're selling the dullest, most technical business-to-business product ever invented, you won't sell it successfully on logic alone.

After a seminar for a direct marketing club, an executive from a very large computer manufacturing company accosted me and wanted to know if I thought expensive, sophisticated software packages, in the \$1,000 to \$5,000 price range, could be sold via direct mail. I said, "Yes" --- if: you know who your prospect is and why he should want your software. The exec then gave me a 10-minute dissertation on why his software was needed. For one thing, it sped up the processing of certain data by 200%. "So a guy could get a project done in 1/4th the time it takes now and go play an afternoon of golf without feeling guilty?" I asked. "What does golf have to do with it?" he asked.

Hopefully you understand that golf has everything to do with it. Why in hell would I want to get my work done four times faster if all I'm going to get as a result is more work to do?

Then a guy like that'll tell me: "The people we deal with are more sophisticated than that." Really. I wonder why that Jones fella shelled out all that money for the Dallas Cowboys? Did he need a football team? Did he need a job? Donald Trump just bought a huge house in Palm Beach. Guess he needed a place to sleep. Sophisticated folks buy a lot of stuff just because they want it. Like car phones. I know people who live four miles from their offices and never go anywhere who have car phones. One of the reasons I got my current house was the spa in the backyard, and I haven't been in the damned thing in five years. If you market based on rational thinking on the prospect's part and only that, you're in trouble.

Some years ago, in, of all places, the Houston Airport, I got hooked in a boot store by a lady named Avis Hall. She sold me a pair of wine-colored all eel skin cowboy boots for \$800.00. At the time, I didn't even need a new pair of shoes, let alone \$800 worth of eel. But, boy was she good. She showed me how incredibly comfortable those boots were. How well they held a shine. How they were so distinctive everybody'd admire them. She told me how rare all eel skin boots were. She showed me the Hollywood stars she sold boots too. When she got done, I wanted 'em and I bought 'em. Together, she and I figured out that wearing these marks of quiet elegance would surely help me close some deal that would more than pay for the boots. I also got a black, tan and gray pair. Avis fed me just enough logic to justify the purchase, but she gave me a supercalifragilistic dose of emotion at the same time.

If you want to sell more of whatever you sell, try this exercise: write down all the logical reasons why I ought to buy what you're selling. Then come up with an emotional motivation tied to each logical item.

\*If you don't know who Zig is, where have you been? Get his book: SECRETS OF CLOSING THE SALE and devour it. There's a great story in there about how, years ago, Amway's Rich DeVos got sold his first private jet.

## **A Few Words About Giving People What They Want**

The American public may not be very bright, and I suggest they are not, but they sure are stubborn. If they don't want it, you just cannot make them buy it.

The Democrats have been having a hard time learning that lesson in recent history. Jimmy Carter tried to sell the public on a sour, depressed, anxious view of life. He reminded me of Charlie Brown, who said, "I only dread life one day at a time." And the public threw him out of the White House. Walter Mondale tried to sell the American public on the idea that we must sacrifice in order to give more of our money to the bureaucrats, so they may trickle some of it back into social programs. His own mother didn't vote for him. Michael Dukakis tried to sell the public Jimmy Carter with a different accent. The public was not fooled by the disguise. Keep in mind, by the way, that all this selling has been done as a spare-no-expense basis, bringing together the best and brightest or at least the outrageously paid copywriting, advertising, marketing and public relations pros on the planet. Together, they still could not sell the public what they didn't want.

So what do you do if you have something that people need, but don't necessarily want? Health, for a long time, was in that category to some degree, still is. Or safe sex and condoms. Or life insurance. One good answer is: get out of the business.

You've no doubt heard the old gag about the guy at the circus, stuck with the job of cleaning up after the elephants. There he is under the hot sun, up to his ankles in elephant dung, sweating, shoveling, and grumbling. He's asked: "Why don't you just quit this lousy job?" And he answers: "What – and leave show business?"

For over ten years I've been involved, at various depths, in the sale of self-improvement and "success education" materials - - - books, cassettes, seminars and other "stuff" having to do with goal-setting, personal finance, self-esteem, and communication; information people desperately need to live fulfilling and successful lives but, for the most part, information they just don't want. But get out of show biz? Not me. I long ago committed the Big Business Sin of falling in love with the product. I cannot quite bring myself to leave it all behind me. From this experience, I've learned, out of necessity, the only way you even have a prayer of successfully selling people what they want and what is good for them: you have to sell it to them for reasons other than the real reason they should have it, for purposes other than the real purpose it will serve, touching buying motives "stretched" to fit.

If you find yourself charged with the task of marketing something that people do not automatically want, I urge you to think very carefully about all this.

**Principle #13: P.T. Barnum said: "No man ever went broke overestimating the ignorance of the American public."**

## Guts

**Sometimes, successful marketing requires courage.**

Example: I lived in the Cleveland, Ohio area when Carl Stokes ran for mayor. At the time, he was one of the first blacks to seek the mayor's office in a major city, and it was a very big deal. The Stokes campaign ran a full-page newspaper ad with this headline:

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### ***DON'T VOTE FOR A NEGRO.***

*The body copy of the ad continued: Vote for a man.*

*Vote for ability. Vote for character.*

*Vote for a leader.*

*A man who can attack the problems and solve them.*

*A man who can rally the people of Cleveland.*

*Carl Stokes.*

---

Carl Stokes won; he was the mayor of Cleveland. Running that ad took guts. It took an issue people were whispering about and screamed it out in the open. It turned a marketing disadvantage into a weapon. It challenged people.

Example: for several years, I ran a company in Chapter- 11 bankruptcy. Early on in the process, we faced the problem of that blemish being gossiped about in our primary marketplace; erroneous information being spread by a competitor; and the problem of having new clients trust us. My choice was to meet it head on. We talked about it openly and explained the facts in all of our advertising and promotional materials. We disclosed it at the beginning of every sales presentation. We'd say: "Before we get started, Mr. Client, you should know that our company is in Chapter 11 Reorganization. Let me quickly explain what that means.... " As a result, we had no difficulty securing new business and retaining established clients.

**Principle #14: Have we taken a gutsy approach? Could we? Should we? Is there anything we're avoiding talking about because we're gutless?**

**Principle #15: Every product or service has a flaw. When you own up to your flaw, you gain strength; you don't lose it .**

## How Can The Damaging Admission Strengthen Credibility?

First, it can do so only when you make it first and make it voluntarily. (If you wait until someone else, like a competitor, points it out, look out!)

A friend of mine ran for the U.S. Senate from Arizona, against an entrenched incumbent. One of my friend's problems was the revelation that he had only recently become a registered voter. This was much more damaging than it needed to have been only because he wasn't the first to announce it. (He also happens to be a recovered alcoholic and AA member.) Had I been he, I would have included in every speech, from the beginning, something like this: "To save my opponent the trouble, let me tell you the only two liabilities I bring with me to this important race. First, I have lived in Arizona for years as a non-registered voter. Why? I have no good reason, although I have many excuses, some better than others, but none admittedly good enough. I was very busy building my business from scratch, working 18-hour days and 7-day weeks, and I told myself that I would get financially secure first, then turn my attention to civic responsibility. In retrospect, that probably wasn't such a good idea but it is fact. I would now hope that my qualifications and my sincere desire to serve will be judged, not my past non-involvement. I might add that every one of you knows someone who's not registered to vote either. Please join me and encourage them to join me in doing it now. Second, I am a recovering alcoholic and AA member. Let me tell you what that means..." etc.

Second, how can a damaging admission strengthen credibility? As an example, consider these facts about me which I freely and frequently mention in my speeches as well as my books: I've been personally bankrupt, had two cars repossessed that same year, and have had one business go through Chapter 11 and Chapter 7 and subsequent re-birth from the ashes. Does that describe someone you want to take business advice from? Of course, when you balance that against my record of successful accomplishments, the picture changes dramatically. But, beyond that, I suggest that I bring added wisdom to the table thanks to the problems. I use it all as a marketing tool.

I believe everybody knows no thing and no one is perfect. They are on the alert for the hidden flaws. By bringing the flaws out in the open, you are more believable, not less believable.

## Specific Marketing Techniques

A "technique" is a certain way of doing something. There are probably hundreds of different techniques for putting, using a pool cue, counseling troubled teens sewing fabric or having sex. And, although different techniques undoubtedly work with differing degrees of effectiveness for different people in different situations, there are some techniques that stand out as most effective most often for most people in most situations. In marketing, there are such techniques too, and the ones that follow this page are the ones I've found most effective most often in most situations for myself and most of my clients.

By the way, there are even different techniques for something as mundane as shoveling manure. When I did that, at the racetrack, I noticed that everybody had a different technique. One guy attacked a stall by first separating all the straw that was still clean, dry and good, and stacking that in a corner. Another guy divided the stall into quadrants, and did one quadrant at a time, top to bottom. Another guy - well, you get the idea. Some people used lime powder to dry out and deodorize the soggy spots before layering over them with straw. Others just used dry dirt, never lime. I'm not sure that any one way was universally better than any other way. I tried a bunch of different ones before settling into my own technique. In fact, it took me months before locking in on a single technique I felt was best.

It's taken me a lot longer to lock in on the techniques suggested here. Each one probably represents years and tens of thousands of dollars, maybe more, in experimentation.

## **Value Vs. Cost, The Bigger The Spread, The Better**

There's no easier marketing job than selling money at a discount. If I was having a sale on \$20 bills today and you could buy as many as you wanted for \$5 each and were absolutely convinced they were real, how many would you want? How fast would you respond?

That's the kind of offer you need to structure. No, it's not easy to do this. But it can be done and it is done all the time. Recently, in our market area, Burger King ran a promotion where you got a free "companion ticket" on Southwest Airlines with every Whopper, fries and Coke. Now you can look at that one of two ways: free food, if you need to fly, or a free trip if you need to eat, but either way, it's terrific.

I do not think it worked very well, but that had more to do with Burger King's chronic ineptitude at advertising --- the offer itself was a great one.

Example: Bob Stupak's Vegas World "Vacation Cub" package - for \$396, you get a 2-night stay, free drinks, \$1,000 in gambling money, and other goodies. He's selling money at a discount, and doing fabulously well with this promotion. (You don't consistently run full-page ads in the National Enquirer, Playboy and airline magazines unless your promotion works!)

**Principle #16: Build value as far out of proportion to price as possible, so you can sell money at a discount.**

## Apples To Oranges Comparisons

Why play fair? One way to build perceived value is through an apples-to-oranges comparison.

Example: in one sales structure used for a particular series of cassette programs we market, we compare their prices to the enrollment costs required to attend the seminars on which the cassettes are based. This comparison makes the cassettes a terrific bargain. (That Order Form appears on the following pages.)

**Principle #17: Create comparisons that favor your product or service.**

Editor's Note: I happen to believe this is one of the most powerful marketing ideas of all, and it's important to understand that the only limit in this game is your imagination. The comparison need not be fair. It need not compare to something the customer would ever buy. There are no rules!

"REALITY IS ONLY FOR THOSE WITH NO IMAGINATION." - Sign on the wall in a friend's office.

# COMPARATIVE SEMINAR VALUE OF YOUR MEMBERSHIP SUBSCRIPTION TO SUCCESS TRAK #1

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	Seminar Value
1. <b>PRACTICE PROMOTION</b> .....	\$195.00+
4 Tape Sessions = 1-Day Seminar	
2. <b>WINNING TELEPHONE TECHNIQUES</b> .....	\$95.00+
3 Tape Sessions = 1/2-Day Staff Seminar	
3. <b>CREATIVE PRACTICE-BUILDING</b> .....	\$295.00+
6 Tape Sessions = 1 1/2-Day Seminar	
4. <b>ENTREPRENEURIAL THINKING AND SKILLS FOR THE DOCTOR</b> .....	\$95.00+
2 Tape Sessions = 1/2-Day Seminar	
5. <b>CREATIVE PROFESSIONAL'S IDEA MANUAL</b> .....	\$100.00+
	\$780.00
<b>+ MEMBERSHIP INCLUDES CRITIQUE CERTIFICATES' CONSULTATION VALUE</b> .....	\$800.00
	\$1,580.00
<i>Your Membership Subscription Only</i> .....	<b><u>\$349.00</u></b>

**YOU SAVE \$1,231.00**

**AMAZING USE-THEN-DECIDE  
ONE YEAR  
SATISFACTION GUARANTEE**

We are so certain of the exciting, profitable results *you will* receive from your Success\*Trak System, we guarantee your satisfaction by a full 100% refund after you've used the System for one full year from purchase date! Use the system for 12 months then, if not convinced it's one of the very best educational investments you've ever made, just return everything for a full refund! All we ask is that you "play fair": listen to each cassette at least 7 times and share it with your staff. Thousands of happy SuccessTrak Members and this remarkably generous guarantee equals your insurance that this System will benefit you, too, personally, professionally and financially!!

**A Few Comments From Doctors About SuccessTrak Seminars:**

"Thank you for your practice promotion ideas. From April to August, 1987, we increased our income \$20,000 over the same period in 1986."

- Dr. John Bare, D.C.,  
Ballantrae Chiropractic, Stouffville, Ontario,  
Canada

"I Listen to the tapes given every day on the drive to and from work. Somehow ft is working. Somehow beyond my efforts ft is happening. I do., though, feel a change in my attitude. This past week we received the most ever ... 5.300.001"

- Joseph Gallegos, D.C.  
Colorado

"Your tapes have been a continuing inspiration and full of so many great ideas - we look forward to each new one."

- Allwyn Mefherell. D.D.S  
California

"The Success Trak cassette series has been a great benefit to the development of my dental practice. It has helped me direct my progress forward in new and positive ways."

- Donald Lipnik. D.D.S  
Michigan

## Principle #18: Right Pricing

How do you determine the price of an offer?

I've seen a myriad of formulas, and I don't think any of them work. Obviously, you've got to know and apply the economics of your business --- there's not much point in losing money to make sales. So, you've got to consider all the costs of sales, all the costs of goods, and all the costs of fulfillment. Fine. I assume you know how to figure all that out in your business. (However, one funny story: a client of mine started a newsletter business. She put in her time at \$4,000.00 to write each issue, her secretary's time to input it into the computer, photocopying, addressing, a drive to the post office and some factor for her office overhead. This newsletter, by the way, is four typed pages per issue. She came up with a cost of over \$300.00 per subscriber per year. Either she can't do math or she's doing it based on only a handful of subscribers. Still, she wanted me to advise her about the best price to advertise the publication at.)

Now, about price solely in terms of marketing. First, charging the lowest price you can afford to charge may not necessarily be the best strategy. Somebody told me a story about a gift store in an exclusive area with a shelf full of "artsy looking" ashtrays. At \$19.95 each, they sat there and gathered dust. At \$69.95 each, they sold like hotcakes. One of my clients jumped the price of an already successful item from \$89 to \$149, and he doubled its sales! You have to understand both your product and your customer to determine how important the price is in the overall buying decision. In many cases, other considerations completely obscure price. The car business is a good example of that; the monthly payment is the important number.

In each situation, there will be some levels of price resistance. In the cassette program business for example, it seems that either \$39.95 or \$49.95 is the first price point ---- a place where sales drop off once you go past it. However, once past that point, I find there is no significant difference in customer response between \$50 and \$99.95. That means: if we can't price it at \$49, we might as well charge \$99. If you study our literature, though, you'll notice that everything we sell isn't priced that way. Why not? Because there are other variables that effect response to pricing, such as audio only or audio plus print; general or specialized topic.

Every product or service has such "rule of thumb" price points, as well as other variables that control pricing within those resistance points. You have to learn yours.

What about "even dollars" versus \$19.95 or \$19.99? Overall, I find that a price ending in .95 works better than .99; often .89 out-performs .95, and the odd numbers almost always out-perform even dollars.

(pricing continued on next page)

If you finance, you might never mention price at all. Some of the magazine subscription promoters say "3 Monthly Payments of Only \$2.97 Each" instead of

stating the price. Rodale Press, the mail-order book marketer, has recently-been using this technique with reportedly good results.

I will make this important observation: the poorer the sales job, the lower the price has to be. If you're severely limited in time or space or number of words (or in selling capability), then price gets a lot more important.

If you're looking for a way to dramatize discounts, consider a tiered price presentation. It might go something like this:

In many fine department stores, you'll pay \$150 to \$200  
In popular discount stores, you may pay as little as \$49 to \$69  
But our low preferred customer price is just \$29.95

Or:

Many dentists charge \$35 to \$50 for an office visit, exam and cleaning.  
Some dentists offer specials as low as \$29.  
But, during our New Patient Promotion Drive, we'll give you  
a complete exam, cleaning and polish up your smile for \$19.95.

Let's try and summarize all this:

- 1) The economics of your business will determine your lowest practical price.
- 2) Understanding your product and your customer should give you some price parameters; the lowest price they'll believe; the highest price they'll pay.
- 3) Experience and/or testing in your field as well as general marketing knowledge will give you certain price resistance levels. If you can't stay below one, it probably makes sense to push all the way up to the next one.
- 4) How you present price is extremely important.

## Justify Any Deal That's "Too Good To Be True"

If you're selling something at 10% below cost .....or giving anything away free, you need to attach a reason why before the customer can feel comfortable with the offer. Admittedly, it doesn't have to be much of a reason, but there does have to be a reason! It could be that your idiot brother ordered 10,000 widgets instead of 1,000 widgets ... it could be tax time .... it could be to say thanks to VIP customers .... etc., but there does have to be a reason! And, the better the deal, the better the explanation needs to be.

**Principle #19: If any part of the offer seems TGTBT (Too Good To Be True), it destroys the credibility of the entire offer. People want to believe it, but they need help.**

### Proof

I believe this is the most powerful marketing strategy ever invented: proof. I like testimonials, case histories, before-and-after pictures. You can learn a lot about using proof by studying weight loss product advertising on TV and in print media. *There are really only two reasons why someone does not respond to your offer:*

1. They don't need or want it, which probably means you did a lousy job of selecting your prospective customers in the first place.
2. They don't believe it. Believability makes people respond!

**Principle #20: Prove it!**

**Principle #21: Prove it every way you can. (A preponderance of proof.)**

**Principle #22: Present proof in a positive manner. (Never sound defensive.)**

Another type of proof is the credible celebrity endorsement. I've been involved this year with a cable-TV show (commercial) starring Fran Tarkenton. Because he's credible, he gives extra credibility to the product and the offer. I think James Garner did a good job for Mazda. You have to be careful not to use someone who's not trusted or is such a prostitute that he or she will endorse and advertise anything for a buck. Some businesses use local sports personalities or local radio and TV personalities to promote local businesses, and that often works fine if that person is not over-exposed as an endorser. If you do use such a celebrity, use him or her in every media; not just one. For example, a car dealer using a local TV personality in his TV commercials should have that same celebrity signing sales letters in his direct-mail campaign; appearing in his print ads in the newspaper, etc. In the program I just mentioned, we not only use Fran Tarkenton on the show, we use him in brochures; in follow-up letters to customers; many different ways. We get maximum value out of the relationship.

**Principle #23: A credible endorser is another form of proof.**

## Liberal Guarantees

I constantly wrestle with clients worried sick over their guarantee liability. Listen, if you can't attach a very generous guarantee to what you sell, do yourself and the world a big favor and stop selling it. Go find something to sell you can be proud to sell and that people will enjoy owning, so you can guarantee it properly. I've used 90-day guarantees in fields where 30-day guarantees are common; one year guarantees in fields where no one else guaranteed anything; "your money back plus X\$ for your trouble" guarantees; even double your money back guarantees; and, almost without exception, I've found that: the stronger the guarantee, the fewer the problems. (The exact opposite of what most chicken-hearted marketers' expect.)

A strong guarantee is a tremendous marketing advantage. Below is our "USE-THEN-DECIDE GUARANTEE" from SuccessTrak. As you can see, it's pretty strong. And as you might imagine, I lean on it very heavily in selling this product. Problems? A return rate of less than 2%, in a business where an 8% to 10% return rate is the norm ... and where a 30 day guarantee is the norm.

**Principle #24: Generously guarantee.**

**Principle #25: If you can't guarantee it, don't sell it.**

Oh, by the way --- the very, very, very, very best way to stay out of trouble with all the federal and state regulatory and consumer protection agencies and to avoid lawsuits is to generously guarantee and honor your guarantees. I personally know of two cases where businesses were destroyed needlessly, only by their owners' stubborn refusal to refund. If your refund rate is killing you, you're selling something shoddy. Otherwise, you'll have a reasonable refund rate. Accept it, budget for it, reserve for it, deal with it, and stay out of the AG's office, the courtroom and the pokey.

## How "Ordinary Businesses" Can And Should Use Direct Mail

1. To generate leads for salespeople. For most products or services, a simple typewritten two, three or four-page letter or even a simple postcard can do the job. With a letter, you might enclose a reply card. Using the postcard, you'll have to prompt a call. Done right, this is much more time and money efficient than having salespeople make in-person or telephone cold calls.
2. To communicate frequently and repeatedly with present customers. Postcards, newsletters, letters, brochures, statement stuffers --the works! Anything and everything can work when going back to satisfied customers.
3. To reinforce other media. If you're doing TV advertising, you might mail, stressing the "as seen on TV" theme, and still photos from your TV commercial or program.
4. To bring people in to a store, restaurant or other place of business.
5. To stimulate referrals from past and present customers.

If you're not using all of these methods, you're probably doing an incomplete marketing job, and your marketing program could stand some improvement. If you'd like to explore all the ways that effective direct marketing, including direct mail, could benefit your business, we'd be happy to consult with you --- beginning with a free initial consultation. The qualifications you must meet for a free initial consultation and other information appears on the following page.

## **The Envelope Or Mailing Exterior**

Courtesy of Gary Halbert:

### **Principle #26: The People Of America Sort Through Their Mail While Standing Over The Wastebasket**

#### **Postage**

How should you mail? Bulk Rate is cheap, but a gamble; less of a gamble in one local area than nationally, in terms of postal mishandling. If mailing Bulk, use of a Bulk Rate stamp rather than an imprint can help "disguise" the "junk" nature of the mailing. If mailing First Class, a good investment more often than not, be sure you let the world know. Use stamps if possible rather than an imprint. Print the words: **FIRST CLASS POSTAGE** in large, bold type on the envelope.

**Principle #27: the right postage decision can have a huge impact on the success of your direct-mail effort.**

Bonus Principle: If you can't afford to mail First Class, I question either the economics of your business or the quality of your lists.

TIP: if you insist on mailing Bulk, affix Bulk Postal Stamps - don't meter. If using a mailing house, this should only cost \$3.50 to \$5.50 more per 1,000 .... less than 1 cent per piece.

## **If You're Going To Mail, When Should You Mail?**

The Direct Marketing Association has kept track of direct-mail response by months (excluding year-end holiday gift offerings), and we've used their data in making many mailing decisions. We also have our own data. From this combined base, we offer the following general guidelines and observations:

BEST MONTHS:	February – May September
"OK" MONTHS:	January August October
WORST MONTHS:	June July

It's important to remember that you must mail far enough in advance to "hit" when you want to hit. If using Bulk Mail, which we generally oppose, for example, the time to mail for an early February hit would be the very end of December.

Local mailings for a local business are much less sensitive to these cycles than nationwide mailings for a national business.

If mailing out of your immediate area, it's generally beneficial to push and get mail out on Friday, so that it moves over the weekend -this can cut an average five day delivery down to two business days. If mailing locally, though, you probably do want your mail to hit on Monday, particularly if mailing to businesses, so a Friday drop is ill-advised.

If mailing holiday-connected promotions to consumers, pay attention the creeping increase in the number of days prior to a given holiday that merchandising for that holiday begins.

Generally, the best days for mail to arrive are Tuesday, Wednesday and Thursday.

Seasonal promotions work better with consumers than with businesspeople, however holidays and seasonal times seem to be gaining in overall importance in our society. Halloween, for example, has virtually become a big, national adult holiday. St. Patrick's Day, once only a "big deal" in the East and a few Midwest cities is now a national holiday. The savvy marketer starts each year with a comprehensive list of holiday dates.

**Principle #28: It helps to be in the right place at the right time.**



## Premiums Often Make The Sale

I believe that just about every offer should involve a "Premium"; a free bonus gift\* and whenever possible, the premium should (1) have some relevance to the primary offer, but not be something you would ordinarily sell and, (2) should have perceived value close to, equal to, or even greater than the price of the primary offer. Using this approach, marketers will often discover that customers will be motivated to purchase as much by the premium as by the primary offer.

I guess I learned this first from the direct selling industry. It's quite common there for the set of encyclopedia to be sold thanks to the free vacation certificate or free portable TV; the fire alarm system to be sold thanks to the free set of cookware, etc. I've adapted that idea to direct-mail marketing with great success.

Example: for a client, I created a series of eight booklets on eight different subjects somewhat related to his primary product. With this premium added to his advertising, he was able to increase his price from \$89 to \$149 and still double sales. (Premium cost: under \$3.00.)

Example: in mail-order marketing cassette programs in the \$75 to \$95 price range, we have frequently used a 35-MM Camera with a perceived value of over \$100 as the premium.

Example: in selling our educational system to Doctors, in the SuccessTrak Div. of our company, the package sells for \$399 to \$548, and the premium is a set of by-mail consultation certificates with a value of over \$800.00. There is no doubt in my mind that many times the purchase is made to get the consultation premium.

How can this be adapted by any business? Easily. There are numerous wholesale sources to obtain premium merchandise from, including those listed in my MONEYBUSINESS-SUCCESS COURSE, or you can make deals with suppliers in your own area. Here are just a few ideas:

- a travel agency could .... use cameras; luggage; clothing store gift certificates
- a restaurant could ... use movie tickets
- an office equipment co. could use... a dictionary or other reference books

\* free bonus gift is obviously a redundant phrase; anything free is a gift; a gift, by nature, must be free. Still, this phrase works remarkably well in advertising, and only serves to point out that grammar must be thrown to the wind when crafting powerful offers and marketing materials.

**Principle #30: what's the Premium? The Premium is at least as important as the offer, and just as much time, energy, effort and talent should be invested in selecting or developing and presenting it as is invested in the primary product or service.**

## **Adding Value Until They Holler "Uncle"**

Do yourself this favor. The next time your state or county fair comes around, get out there, go to the commercial exhibit tent, and watch the guys who demonstrate and sell stuff like the Ginzu knives or the Miracle Chamois. I know, I know --- not very sophisticated. Well, get the monocle out of your eye and pay attention because these guys know how to pile on value until you holler "Uncle!"

The people who put together the Sports Illustrated Magazine TV-commercials learned this lesson well and sell a lot of subscriptions because of it.

Anybody can use this, if they're smart and have the guts. Let's take the real estate business, as an example. If I was advertising in that business, here's the kind of thing I'd do. I'd say: look, we both know you can go buy a house from any real estate company and that any company can get you any house. But when you buy from us, here's what we'll do. First, we'll give you a 90-day warranty on the heating and cooling system and major appliances. Second, we'll give you this great camera, so you can take pictures of your new home to send to your friends. Third, the day you're moving in, we'll send a big, strong, strapping college kid out there to help you unpack boxes and move furniture and do anything else you need done. The kid's yours all day at our expense. Fourth, you'll probably be buying at least one or two pieces of new furniture, so we'll give you a 10% Discount Certificate from this fantastic furniture store. Fifth, you're going to be tired after moving in, so we've got a 2-for-1 dinner certificate for you at a nice local restaurant, so you won't have to worry about dinner. Sixth, just for fun, here's a coupon for two free video rentals at a nice video store right in the new neighborhood. Now you're not going to pay a cent more letting us find you a house than dealing with any other real estate company. You might even pay less, because we're pretty good at our job. But you will get all this great stuff free.

How much will all that cost the real estate company? \$100 for the warranty; \$10 for the camera; \$25 for the college kids; zip for the coupons.

## Communicating By Direct Mail

For just about any product, service, profession or business, direct-mail marketing will deliver better overall results than any other media or method.

I know, I know; that hasn't been your experience. As a matter of fact, most people have favorite "horror stories" to tell me about direct mail. That's okay as long as your past experiences don't blind you to future opportunities. You see, direct mail does work if you know how to work it.

Just a few encouraging examples ...

A Doctor with an average new patient acquisition cost via other advertising of \$180 lowered that cost to \$118 with a direct-mail program. A company with a customer list developed via other media took a \$10,000.00 investment in a direct-mail campaign and converted it to, \$80,000.00 in business; approximately \$46,000.00 net profit in 30 days, then basically repeated the process seven times in twelve months for over \$320,000.00 extra profit. A professional speaker used a direct-mail campaign to make follow-up offers to audience members and created a new "profit center" producing an average of \$2.00 per person profit; in a year, over \$50,000.00 in additional income. A new restaurant created about 50 steady customers in 30 days with a direct-mail campaign costing less than \$2,000.00.

The information in this next Section represents my best tips on direct mail.

## About Direct Mail

This Section of this book is not and cannot be a complete treatise on the successful use of direct mail. This really is a tremendously complex (and I find, fascinating) science in and of itself. A companion book of mine: HOW TO WRITE MILLION DOLLAR SALES LETTERS deals with it in more detail. But, to give you an idea of how complicated this thing can be, consider that I have more than an entire bedroom closet of reference materials on the subject, none of which gather dust; I consult them constantly. I spend thousands of dollars each year "keeping up with" this field, including many subscriptions to newsletters and services that each cost more than \$100 -- such as Dennis Hatch's WHO'S MAILING WHAT and THE GARY HALBERT LETTER.

Direct mail is a lot of fun because of the ungodly number of variables involved. The envelope: to tease or not to tease, that is the question! The lift letter, the Johnson Box, the choices of sizes and colors and textures. And on and on and on. I've personally counted up as many as 200 decisions in a single direct-mail piece.

Direct mail is a mean-spirited, nasty bitch because of the ungodly number of variables involved. Goof up any one of them and you may kill the response, but try and test each item individually and you'll die of old age before knowing why you went broke.

I have lived with direct mail my entire adult life. I think I was 13 or 14 years old when I put together my first direct-mail piece to sell something, sent out some, and actually got money sent back to me in the mail. I have been doing it ever since.

In the context of this book, I've not attempted to teach you direct mail. If that Herculean task can be done, it cannot be done here. I have come at it from the perspective that you may be using direct mail as part of an integrated marketing approach, so I've simply hit the real highlights ... the bases most commonly missed. Beyond this, I would urge you to become a serious student of direct mail.

Oh, one personal aside. I used to have a cat who loved the taste of the glue used on the back of postage stamps. He was a great ally in many direct-mail projects and I miss him sorely. If you have a cat, you might investigate his taste for postage-stamp glue. You may have an eager assistant there, quietly waiting for the opportunity to make his contribution to the cause.

## **A Miscellaneous Creativity List ... With Comments**

For brochures, mailing campaigns, in-store hand-outs, etc.

### **#31: Unusual artwork**

1. Enlarged section of a photograph
2. A child's drawing
3. An illustration of a famous person
4. A cartoon (relevant to your audience)

### **#32: Unusual containers**

1. Paper bags

An insurance salesperson sent me a full-size supermarket brown bag with this note attached: "Could your employees fill bags like these to feed their families if they were disabled and could not work? Let's talk about a plan to take care of that - at no net cost to YOU."

2. Plastic bags or sealed plastic envelopes, so the contents show through.
3. Bottles

The store where my daughter currently works: "Latitudes", a beach-wear/surfer store, puts its parchment gift certificates inside a plastic bottle with some sand and a few sea-shells, sealed with a cork ... to simulate a bottle with a message that might wash up on the beach. Does displaying this in the store sell more gift certificates? I have a hunch it does.

### **#33: Remember the outer envelope**

1. Bright, odd-colored envelopes
2. Odd-size envelopes
3. A photograph on the outside of the envelope

If you're mailing to people you believe will be interested in a message from you, then your big concern must be to be certain they immediately recognize your envelope as coming from you. Recently, for the company airing the THINK & GROW RICH TV-Program with Fran Tarkenton, we designed a mailing using a still-photo from the show of Fran, holding the product, as the return address. Why? Because the company name is meaningless to most of these people, but they will want the message if they know it's coming from this same source. Should your envelope have a photo of your store, your product, or you on it?

### **#34: Unusual inserts**

#### 1. Keys

Auto dealers sometimes use this promotion: a mailing with a key inside. You bring the key to the showroom and try to start a car with it. If it starts, it's your car. But this need not be limited to the car business. Realtors could use the key with an in-office dollhouse; retailers with a pirate's treasure chest, etc.

#### 2. Snapshots

One of our most successful direct-mail campaigns selling a set of books used a letter and, as the only enclosure, a snapshot of the books (instead of the typical brochure.)

#### 3. Coins

#### 4. Tokens

#### 5. Foreign currency

#### 6. Simulated money

Many direct marketing experts still contend that there is no stronger attention-getting device than money.

#### 7. Simulated Checks

Often used in conjunction with window envelopes. While used often and for many years, these, too, still work well if tied to a good promotion. One tip: authentic check appearance is important.

### **#35: Unusual pieces**

#### 1. Fake telegram

#### 2. Over-size telegram

#### 3. Giant hand-written memo

#### 4. Extra letter from your wife, husband, kid

One office furniture store created a "classic" direct-mail campaign built around a character: a mouse who wrote the letters and sent them out at night, after all the humans had gone home. In one series of promotions, we sent letters direct from "Napoleon The Computer".

#### 5. Audio-Tape

The "audio brochure" grows ever more economically practical as the costs of print escalate. And, in many cases, it can be incredibly effective.

**#36: Unusual paper stock**

1. Parchment
2. Certificates
3. Check paper
4. Graph paper
5. Paper imprinted to look like fabric
6. Yellow legal pad

Remember the immortal phrase: "I'm gonna make you a deal you can't refuse"?  
When that was hot, I got a letter in the mail printed on paper that looked like  
pin-stripe suit fabric, with a half dozen bullet holes in it, and that phrase scrawled  
at the top in what looked like blood.

## Principle #37: The Secret Of The “Swipe File”

One of the best marketers I know has never had an original idea in his life. But has he got a Swipe File!

A Swipe File is simply a collection of ads, mail pieces, components of mail pieces, headlines, phrases, coupons, etc. His collection spans thirty years and contains well over 10,000 items. My own is smaller, built over a shorter period of time, but, to brag, better organized.

Given a marketing assignment, he goes to his Swipe File and plods through every item in it. His mission is to find good, creative ideas that can be swiped from their past uses and reworked for the new project.

I'll cheerfully confess: truly creating an entire marketing campaign from scratch is more work than I ever want to do.

In my Swipe File, there's a famous, very successful headline: WHO ELSE WANTS A SCREEN STAR FIGURE? Yes, it was used quite a few years ago. But in my newest ad for an audiologist, you'll see this headline: WHO ELSE WANTS TO HEAR EVERYTHING THAT'S GOING ON? Another similarly famous and frequently used headline begins: WOULD YOU BUY ... I've seen it used for clothes, rare coins, bullion, real estate, etc. For example: WOULD YOU BUY A \$100,000.00 HOME FOR \$22,800.00? In my Catalog, for my audio-cassette album on marketing strategies, you'll see this headline: WOULD YOU HIRE A HIGHLY PAID MARKETING CONSULTANT FOR MINIMUM WAGE?

In my Swipe File --- just added --- is a phony telegram that begins: FINALLY. YOU'RE A SWEEPSTAKES WINNER! REPLY REQUIRED WITHIN 48 HOURS. I wonder how I'll use that in the future.

In my Swipe File is a renewal notice from Fortune Magazine. It' hand-scrawled on a simulated phone message slip. Although they goofed up by using yellow instead of pink for the base color of the message slip, the idea's still good.

You'll do yourself a tremendous favor by building up your own Swipe File. As it grows, organize it as best you can. But in the beginning, just throw it all in a big box, then rummage through the box when a good idea is needed. Just like the pros do!

## Copy

As you know, I've written a whole book on this subject: HOW TO WRITE MILLION DOLLAR SALES LETTERS, which includes a 27 Step System for that purpose. However, there are certain key tips to copywriting not heavily emphasized in that book, which I've included here.

Every other factor in print media i.e. letters, ads, brochures, postcards, direct-mail packages, etc. has one chief purpose and that is to get people to read the copy. Then the copy does the heavy lifting. Weak, wimpy copy rarely gets the job done. You need to rip open a can of spinach like Popeye, grab your copy by the throat, and pour the whole darned can in.

## The All-Important Headline

My headline says it all: there is no more important component part of any advertising-in-print than the head line. If the headline doesn't perform, nothing else matters very much. Keep these key ideas in mind about headlines:

- should telegraph the promise of a positive benefit
- usually should emphasize the best, strongest benefit
- can emphasize two, even three benefits
- helped if it also stimulates curiosity
- must be easily understood (no fancy words)
- grammar is unimportant
- should stand alone\*
- is roughly equivalent to the first selling statement you'd make if making the pitch in person or on the telephone

### **\*The Stand Alone Test:**

**If you placed your headline and only the instruction: "write for more information" in a classified ad, would it draw lots of response?**

Writing headlines is an art and science in and of itself, and well worth mastering. Some of the best headlines ever written appear in tabloids, like THE NATIONAL ENQUIRER, (I strongly suggest studying the ads in the Enquirer!)

Today, a client called. I had prepared trade-journal advertising copy for him. He said, "I'm over here at the publication's office reworking your ad with their people and we need to shorten the headline. Any ideas?" The one idea I instantly had is not fit to repeat in print. Some headlines can be one or two words. For example, the headline: PANIC! worked very well in financial newsletters, for a stock advisory offer. Other headlines can be quite long - like: THE AMAZING DIET SECRET OF HOLLYWOOD ACTRESSES THAT ACTUALLY CAUSES OVERNIGHT WEIGHT LOSS worked very well. There is no right or wrong number of words for a headline.

**Principle #38: The headline has to do certain things to work. That is the only rule about headlines. And if the headline doesn't do those things, punt.**

## Long Copy Works Best

Even after numerous statistical studies and decades of experience have proven them wrong, many advertising pros insist that people will not read long copy. The fact is that a two-page letter works better than a one-page letter, and a three-pager out-pulls a two-page letter, and most ads can be improved with more copy (not more "white space"). It is, after all, the copy that sells. This tells us several things:

**Principle #39: Tell your story the very best way it can be told, then start thinking about how many words you've used and what format will work. If you can possibly avoid it, don't write to fit predetermined space limits.**

**Principle #40: Don't worry about people not reading the long copy just because it's long . If it's boring, then you've got a problem! But if it's exciting and interesting and matched with the customer's interests and fun to read, length is never a problem and is most often an advantage.**

**Principle #41: You can get away with smaller type than you think. I make folks squint all the time, and get some of the highest response rates and most profitable responses in the DM-industry.**

Recently, I designed a new Val-Pak Coupon for a Chiropractor client of mine. The Val-Pak people told him: too much copy. His friends told him: too much copy. The results: 40,000 multiple coupon packs mailed. Cost to the Doctor for his insert: \$1300.00. Number of new patients: 10. Acquisition -cost per patient: \$130.00. Average value of patient: \$1500.00. That's over a 10-times ROI. You tell me.

## The Order Form, Coupon Or Reply Card

**Principle #42:** *“If your coupon or order form doesn't increase the desire to buy, you've done it wrong,”* "Herschell Gordon Lewis

Here's a good way to evaluate your Order Form (response device); ask yourself:

### What If They Look At This First?

Well, what happens? Might they be sold just by what's on the response device? Will they at least be highly motivated to dig back in and read the rest of the material? Or will they quickly decide "not for me" or "too much money" and set it aside?

Incidentally, I do not think your materials should be structured so that they do see it first. On a catalog project I just worked on, the layout people wanted to put the order form on the outside back of the cover to solve a space problem. No, no, no. If at all possible, we want the order form concealed in the beginning. That's like a salesman, selling in person, starting with the closing question. Tough sledding. However, you cannot totally control this. Some perverts read magazines from back to front. (These must be the same people who get up 30 minutes earlier every morning eat their Oat Bran and leave 30 minutes earlier than necessary an appointment because driving their Toyotas is so much fun.) Anyway, the idea is to keep the Order Form out of the way but to design it so it has a fighting chance if some pervert digs out and reads it first.

If people would just follow directions, it sure would be a lot easier to sell them stuff. Sigh.

## The Psychology Of Color In Print Advertising

An awful lot of the stuff we do for our companies and for our clients is in plain old black-and-white. In many cases, the extra costs of color(s) are not recouped in extra sales.

When you do want to use color, there are some things you might consider:

- #43** You can always get gray by screening black - no extra charge. And the same thing's true for any color you use; red can also provide pink, for example.
  - #44** According to a couple of real hot shots in this field of color psychology, Dr. Siegfried Vogele (the Institute Of Direct Marketing in Germany) and Dr. Ned Kennan (Kennan Research), the eye sees the color red first. The theory is this is because of a strong reflex response to fire and to blood. I use this information two ways. First, if there's no reason for any other accent color preference, use red. Second, be sure you use red to emphasize what you want read first.
  - #45** I like fake yellow hi-liter marks and yellow background panels. But never yellow type.
  - #46** Response devices, like order forms, coupons and reply cards seem to pull best if printed black on yellow or pink.
  - #47** Color combinations that are hard on the eyes may initially attract attention, but will cost you sales. There's a Buick ad out right now with red type reversed out of a solid black panel. Whoever thought that one up should be shot.
  - #48** Almost without exception photographs should be printed black on white or in full color. Photographs printed in blue, red or green ink look sick.
  - #49** Sometimes a very miserly use of color can have big impact. The Nuprin ads, where everything is black and white but the little yellow pill itself are striking, attention-getting and clever. Clever isn't easy, though, and should only be attempted when you have extra time and money to fool around with.
- Bonus** If you can't sell it profitably in black and white, color won't help enough. If you do well in between, adding color may help you do even better.

## **Special Checklist**

### **Factors Likely To Decrease Response To A Promotion**

1. Bulk Mail
2. Bulk Mail that is glaringly identified as Bulk Mail
3. Vague, general claims and promises; cliches "the greatest; the best..."
4. Testimonials without full names, cities, states
5. No testimonials at all
6. Lack of a guarantee or warranty
7. Technical terms
8. Complex language
9. Lengthy sentences
10. Dull graphics
11. Lack of a response device (coupon, card, etc.)

### **Likely To Increase Response**

1. First Class Mail, Live Stamps (vs. Meter)
2. Specific, precise promises
3. Strong testimonials
4. Strong guarantee or warranty and/or free offer, free trial
5. Coupons, gift certificates
6. Simple, easy to understand language
7. Short sentences, short paragraphs
8. Exciting graphics that "lead" the reader through the copy
9. Product or people-and-product photographs
10. Premium, extra free gift
11. Celebrity endorsement

### **Likely To .....?**

1. The 800# WATTS LINE. Works well in acquiring new customers. Makes no difference in soliciting orders from established customers. Can add credibility.
2. C.O.D. SHIPMENTS. The massive proliferation of credit cards has made this obsolete in terms of making buying easier. Only of value if you can't convince the buyer you're credible and will deliver.
3. FANCY STATIONERY. Only of value if communicating with "high society", lawyers or doctors.

## About The Customer And Other Stuff

I never cease to be amazed at the huge chasm between the extraordinary expense and effort companies invest in acquiring customers and the minimal thought they give to keeping them.

Some companies shouldn't even be advertising at all. Holiday Inns, for example, currently run commercials with the actor from 'Night Court' in them. The ads depict a hapless guest at a bargain motel discovering that there's no gym, no restaurant, not even any ice. Then he's told how wonderful things'd be if he'd spent just a few bucks more and stayed at a Holiday Inn. God knows what they're spending on all this, but I promise you it's a huge waste of money. Why? Because most (not all) Holiday Inns are guilty of worse sins than the seedy competitor they've (sadly) positioned themselves against. And anybody who travels much and occasionally has no option but a Holiday Inn laughs at these commercials. Anybody swayed by them will only be swayed once. If you advertise before you're ready, all you do is speed up the pace of the world finding out that you're no good.

Customer acquisition is stupid without at least equivalent emphasis on customer retention.

Write that on the chalkboard 500 times.

Did you happen to see the Easter Parade telecast from Disneyland in Anaheim this year? Regis Philbin was interviewing bystanders. An amazing number came from far, far away. But just as many came from right there in southern California, and an amazing number of those people made mention of how many times they keep coming back to Disneyland. One family had been there forty times.

A consultant-colleague of mine is working with a major U.S. auto-maker (which shall remain nameless) on improving customer service at the dealership level. But stats show that some of their highest volume dealers have the worst customer satisfaction ratings. My friend points out that this means they're losing customers as fast as they're getting them, exchanging short-term sales results for serious long-term damage to themselves and to the manufacturer. He tells me that the top executive leaned back and said, "Screw long term results. I'm dying anyway. I want sales increases right now." And that's why everybody's buying Japanese cars.

## The Extended Family Concept Of Customer Relations

It's this simple: most of us want something more than a One-night stand; as consumers, we want a "meaningful relationship" with the folks we give our hard-earned money to. This accounts, for example, for the success of the affinity credit card business. How can you use this quirk of consumer nature?

1. Sell via the Membership Concept. Issue a Membership Card, make them Members, have Member-only events, sales, special offers, etc.
2. Communicate as an association would with its members, such as with a monthly newsletter.

Egs.: Bob Stupak (Vegas World Hotel & Casino) created a separate, inactive corporation just so he could give away shares of stock to "locals," so he could then have a "Stockholder's Comer", special cash prize drawings only for stockholders, free drink nights only for stockholders, etc.

Egs.: perhaps the ultimate example is AARP; the American Association of Retired Persons which is not a non-profit association; it is a profit-making business, selling a variety of products and services to its members.

**Principle #50: Adopt your customer.**

## About The Customer

In my senior year of high school, I tended bar weekends in a open-on-weekend-nights-only Gay 90's sing-along joint owned by a high school teacher and optometrist, whose motives had more to do with having fun and creating a tax loss than with getting rich. Nevertheless, this place thrived for only one reason. Nobody thought of it as being the owners' place; it was the customers' place. The customers came in groups every Friday and Saturday night, with 90% of the regulars never missing. If they did, they'd usually call to let us know why they weren't coming. If they had friends or relatives who hadn't been there, they drug them there. The band, the bartenders and at least half the customers were all on a first name basis. The customers even brought stuff to decorate the place with. As I recall, we bartenders got \$7.50 a night plus whatever we could drink. The band got \$20 each with the same perk. The way I got to be a bartender was going behind the bar one night when they were extra-busy and helping out. Then I stayed for a couple years. Everybody else seemed to wind up working there pretty much the same way. It was a fantastic, fascinating environment. It taught me one big marketing lesson: just how much you can make the customer part of the business.

## After The Sale

Many companies overlook opportunities for sales and profit improvements via reduced return-for-refund rates, through "post-purchase reassurance." If your business, for example, currently has, say, an 8% return rate which can be cut to 4%, that can have a big impact on sales and on the bottom-line. The bottom-line impact is generally greatest because it usually costs less to prevent a return with a good post-purchase reassurance system than it does to create another new sale to replace the return.

The simplest, most basic level of post-purchase reassurance is a simple "Thank You Note." Your own needs can determine how much more sophisticated you wish to get. However, I believe every purchase deserves some post-purchase reassurance.

Example: one of the Home Study Courses we sell by mail had a 6% return rate its first two years on the market. We then devised the following "system":

1. Shortly after shipment, a letter was sent to the customer thanking him; congratulating him; and including some fresh testimonials from other satisfied Course owners.
2. The customer was given an opportunity to exchange his list of the 50 best ideas he got from studying the Course for a \$50.00 rebate.

This procedure brought the return rate down from 6% to 2.5%. Since this is a \$400.00 item, that percentage difference represents significant dollars! A version of this same process has now been put into effect for one of my clients, with similar results.

**Principle #51: In planning your sales strategy, think it all the way through, including what steps you can and should take to minimize refunds. Devise and implement a good post-purchase reassurance system. It is a profit center. And it builds goodwill.**

## Repetitive Contact With Customers

As we repeatedly communicate with customers, we tend to "short cut" our sales presentation, leaving out certain facts about ourselves and our products that (we believe) they already know. This is a huge error! The most effective marketing approach is to tell our complete sales story each and every separate time we communicate with the customer.

Example: I personally sell a number of different specialized books, manuals, tapes, newsletters, etc. to one relatively small market (appx. 4,000 people), and mail to them frequently and repetitively. In mailings where I've omitted or abbreviated the description of my qualifications and background --- believing they knew it and were as sick of hearing about it all as I was of writing about it --- sales were significantly less than in those mailings where that part of the sales story was fully reiterated.

**Principle #52: Don't shortcut your sales story. Give it all you've got, every time.**

## Other Ways To Promote

### **Principle #53: The Radio**

My friend Joe Sabah has put together a tremendous resource manual for anyone interested in getting booked on radio talk shows nationwide, to promote themselves, their cause, book, product or business. This is a very inexpensive means of promotion or of market testing, and most interviews can be done via phone, from your own home or office. For information, contact: Joe Sabah at Box 24147 in Denver, Colorado, 80224 or 303-759-1414.

### **Principle #54: Cross-Coupons**

Cross-Coupons can be done internally. Example: a restaurant gives dinner offer coupons to its breakfast customers. A clothing store gives its male customers a coupon for women's clothing.

Cross-Coupons can be done externally. Example: an enterprising Jack-in-The-Box restaurant franchisee has arranged for the near-by Exxon station to hand out coupons promoting the new chicken sandwich. In return, the Jack-In-The-Box is giving out oil change coupons for the Exxon.

## Yellow Pages Advertising

... is a bitch. There's no other advertising situation I know of where the battle is so directly combative. Your ad is next to a competitive ad, above another competitive ad, and below still another competitive ad.

Most Yellow Pages advertising is lousy, for three main reasons:

1. Advertisers get most of their advice from Yellow Pages advertising reps, so everybody's ads wind up looking pretty much the same as their competitors' and saying pretty much the same things as competitors'.
2. Advertisers fail to answer the questions their potential customers will logically have. I've seen restaurant ads, for example, that omit the days and hours open and which credit cards they accept.
3. Advertisers do not tell a complete, persuasive sales story, as they (hopefully) would in other media.

The effectiveness of most Yellow Pages ads can be doubled merely by doubling the amount of copy in the ads! Of course, the Rep will tell you: you can't fit that much copy in; the type's too small; there's not enough yellow space; etc., etc. All bullshit.

**#55: A Yellow Pages ad is, after all, an ad.**

**It should have:**

- A headline. Preferably that telegraphs a benefit.
- A sales story.
- A call to action.
- Easy way(s) to respond.
- Maybe even a premium for response.

Then, in addition, it must have the "standard" stuff, like name, location, phone, hours. Location is generally more important in Yellow Pages advertising than in most other types of advertising.

If you are advertising in more than one category in the YP, you should not just run the same ad in all the categories. The basic ad should be altered slightly to perfectly fit the category. One easy change is the headline.

## **Principle #56: The Outright, No Strings Attached Free Offer**

Another consultant told me about a new restaurant that gave away free lunches for two weeks. No, not 2-for-1. Free. No strings attached. And the business has been booming ever since.

If Marriott Courtyards could get a list of frequent business travelers who stay at Holiday Inns *or* Ramadas, they could afford to give every one of them a free night, no strings attached. Why? Their product is so superior they'd switch just about everybody over.

We still do totally free seminars in our SuccessTrak Division. The only way we make money is if 65% or more of the audience so clearly sees the value of our expertise that they buy our educational systems.

Years ago, I tended bar on weekends. Our place closed a couple hours earlier than several bars across the street, so the "crew" usually went someplace together afterwards for a few drinks, then someplace else for breakfast. One night, the owner of one of the across-the-street bars dropped in. "You guys have never been in my place," he said, "but if you'd like to try us, I'll buy your first two rounds of drinks any night you want to come in." He got our business from then on. Not just because of the freebie. But because he had a genuinely good product: a nice place with good music, stiff drinks, good-looking barmaids, and good bar snacks.

If you've got a truly outstanding product or service and can pinpoint legitimately qualified, highly desirable customers, you might try the outright, no-strings-attached, free offer.

## Principle #57: Cold Call Selling

We are lazy.

"How's business?" I ask.

"Down," he answers.

"How many prospects have you gone out and dropped in on this week?"

"That's not for me," he answers.

And it doesn't matter whether he owns a restaurant, a clothing store, a dental office, or a hair salon.

Cold Call Selling still works. In recent memory, our office has been drop-in called on by a pizza shop owner, a baker, and a computer salesperson. All three made sales. Are we that easy? No - if anything, we're kind of tough. Overall, the actual efficiency of cold calls to promote one area business to another is good; my observation is that about 40% of the calls will yield business, particularly if discount or special offer coupons are used.

This means that if Joe the local sandwich shop owner, butcher, baker, candlestick maker, printer, car wash owner, etc., will get off his duff and go make drop-in calls on the other offices and stores in his area and he drops in on 50 such places in a week, he'll get 20 new customers.

Hmm. If that's true, and I promise you that it is, why don't more folks do it?

I suggest two books:

COLD CALL SELLING by Lee Boyan

THE SUCCESS SYSTEM THAT NEVER FAILS by W. Clement Stone

## **Principle #58: The Incoming Phone Call**

I can't tell you how many times I've been told: "My advertising isn't working", checked into it, and found the advertising producing plenty of calls, but the callers not being converted. Handling an incoming, promotion-generated call is telemarketing, yet most businesses let someone do it who has no training and no experience and no skill in telemarketing.

Every time a prospective customer/client/patient calls, you have incurred a cost. If, for example, your Yellow Pages ad costs \$1,000.00 a month, and this month it produces four calls, each call cost \$250.00.

Get smart.

1. Train, role-play, rehearse, motivate and reward the person responsible for handling incoming calls.
2. Create scripts for repetitive types of incoming calls.
3. Continually refine and improve the scripts.
4. Insist on use of the scripts. Fire anyone who refuses.
5. "Shop" your own operation. Call as a "prospect". Have someone else call as a "prospect" and record the conversation for your review. Do this frequently. Don't expect what you don't inspect.
6. Monitor the conversion effectiveness. In most businesses, it should be at least 50%.

## **Principle #59: The Outbound Phone Call**

This is not a treatise on telephone marketing, nor am I expert in it. However, many businesses can use very simple telemarketing successfully. The simplest, easiest use is to call past/present customers with news of a special offer or special event.

## **Principle #60: The Non-Threatening First Contact**

Some people do not respond to some advertising because they are afraid the person they call will "hammer" them.

So, some marketers are introducing an intermediate step for these timid folks to take. Using a recorded message and a separate phone line, the marketer invites the interested prospect to call and hear a recorded message. The recorded message then endeavors to sell the person on calling the regular number, coming into the store, etc.

It's working in varying degrees.

One interesting thing is its ability to permit cheaper advertising. For example, a car dealer accustomed to running two full-page ads in the paper might cut back to one full-page of his typical advertising, supplemented by a fourth-page that only says: **BEFORE YOU BUY A CAR, CALL THIS RECORDED MESSAGE. IF YOU DON'T, YOU'LL SPEND MORE MONEY THAN YOU HAVE TO FOR YOUR NEXT CAR. CALL 000-0000.**

We're experimenting with it in our own businesses.

You can't use an ordinary answering machine, by the way. You need a unit that just plays the endless loop 30, 60, 90 or 120 second cartridge. Check with your local business equipment dealers.

## **The Inner Game Of Marketing**

We have met the enemy, Pogo said, and they is us.

In every activity, including Marketing, there is an Outer Game ie. techniques and tactics, and an Inner Game ie. psychology. The Inner Game of Marketing requires you to have your head screwed on straight while working on marketing projects, so that you assemble the best stuff you can. I apologize for the cliché but: garbage in, garbage out.

## Doing Your Homework

One of the greatest sources of inspiration for the marketer is THE NATIONAL ENQUIRER. I believe it should be read carefully every week, skipping, if you wish, the articles about the Martians' impregnating Vanna White, etc., and concentrating on the ads. Why? For the simple reason that the very best, most proficient and highest (in fact, outrageously) paid copywriters create the ads that appear repeatedly in this media. An education in (1) themes, (2) creating headlines, (3) writing long sales copy, and (4) creating order forms is readily available in the Enquirer.

Other media from which you can learn wonderful advertising lessons:

1. Cosmopolitan Magazine
2. "Opportunity" type magazines --such as OPPORTUNITY, MAKING PROFITS or INCOME OPPORTUNITIES

## Doing Your Homework

If you're serious about being a Marketing Wizard, you've got a lot of reading to do. And good new books are being published every month that are worthy of your attention. I suggest reading a book a week, in this field, as a good, basic mental discipline.

## Doing Your Homework

Frequently buy products/services from your competitors. Order from them. Send for their literature. Call their stores and offices, pretend to be a prospect, and "put' em through their paces." Study what they do. Think about what they don't do.

**Principle #61: "School is NEVER out for the pro."- Cavett Robert**

Bonus Principle: Creative copy-catting from successful pros' proven campaigns and experience is preferable to inventing or innovating. When you go to the bank to make a deposit, they don't give you a bonus for originality!

## Desire

What does DESIRE have to do with experiencing success as a "marketing wizard"? Everything! If you're serious, how many books on direct marketing, advertising and copywriting do you own? I own over 150. How many seminars have you been to? Me - dozens. How much do you spend each month on books, tapes, newsletters and other means of learning more about this field? Me - some months \$500, some months \$1,000. How many hours a week do you spend studying this subject? Me - 10 or 20. Etc. Etc. Etc. Can you name the twenty best copywriters in the country? If not, why not? I can. Etc. Etc. A lot of people wish they could be better at marketing. Very, very few are willing to get better. Even fewer are willing to get great.

**Principle #62: "Winning takes a lot more than just wanting to." Mike Ditka.**

## Principle #63: A Positive Attitude

I know - you've heard this 'positive attitude stuff' over and over again so many times you get nauseous at the mere mention of it. Still, let me just tell you a couple things from my experiences.

First, you've got to be able to set aside all of your own personal and business problems when the time comes to focus on putting together a successful marketing plan. You see, your mental attitude sneakily permeates everything you write, everything you assemble, in a marketing effort. If you've got mental B.O. while working on a marketing project, I'm telling you - the project is doomed. You need to be excited and enthusiastic.

I've forced it the other way, more times than I care to admit to. Been under immense stress and pressure, and tried to do creative work while intermittently dealing with problems and interruptions. The end result has seemed okay, but most of the time it has flopped miserably in implementation.

Second, I think you've got to have the Eternal Optimist inside you to get ahead in business anyway.

I've got a client and close friend right now who is giving up on something too soon. He puts out a newsletter each month for his clientele. (He sells certain professional services, but he also has tangible products too.) The newsletter goes to past and present clients, some prospective clients, and other business contacts. There's a section in it where he advertises his products. The idea is that product sales will offset the cost of the newsletter, which makes all the sense in the world but hasn't worked. After a few months, he's decided to stop advertising products in his newsletter. This is a reaction akin to the cat that sat down on a hot stove. He gave up sitting on hot burners real quick. But because he really wasn't bright enough to figure out the precise problem, he gave up stoves altogether. When he walks in the kitchen, he gives the stove a pretty wide berth. You see, I contend that there is a way to sell products through that newsletter and if we try enough different ways, we'll make it work.

Some things work great right from the beginning. Others don't. And I'm frequently amazed at how little determination people have to make things work.

## How Weird Is The Advertising Business?

When the famous rock-n-roll singer James Brown was dropped as a prospective commercial spokesperson by Polaroid, the head of the ad agency preparing the commercials explained it this way: that the decision to drop Brown had been made after Brown's arrest for destroying his wife's car with a machine-gun. "We had to take Brown out," the ad exec said, "there's a five year moratorium in the ad business if you shoot your wife's car."

If you have never been locked in a room for four or five days, with a half dozen burnt out "creatives," trying to think up a good name for a lipstick that hasn't already been used, you can't fully understand how easy it is to go nuts and stay nuts in the advertising business. By the way, they're obviously running out of names for perfume, hence Liz Taylor's fragrance being named 'Poison.' That has worked thanks to her identity and the weirdness of our times. And at least they didn't use it for a breakfast drink.

A lot of truly commercial advertising is simple, straightforward lying. You've probably seen the TV commercials, for example, that position the Snickers Candy Bar as health food. Most of this is more the fault of manufacturers who bring unimaginative, deceptively packaged products to the table in the first place --- like all those high-in-fiber foods supposedly so good for your heart which also happen to be terribly high in Sodium too. Some of the blame also lies with the consumer, for criminal stupidity.

The biggest "game" in the advertising business, though, is to hang on to a given client as long as possible and get as much money from him as possible with advertising that cannot be accurately and quickly measured in terms of contribution to sales. This is what a lot of agencies are really good at. An old advertising axiom is: find a dog food company owned by a guy whose wife loves French poodles and you can keep the account for a year just by putting a poodle in all the ads. I find all this reprehensible, which is one of the reasons I did not pursue the development of an ad agency (a path I spent a couple years on). It's also the reason I prefer to concentrate on direct-response advertising and direct mail, where results are quickly and accurately measurable. In these cases, I'm sometimes a genius and a hero; other times a dolt, but at least the client doesn't waste a fortune finding out.

Very few 'full service agencies' do direct-response well. They don't like it, they don't understand it, and they justifiably fear it. You are much better off finding a credentialed direct-marketing freelancer to help you than going to an agency. And even then, you'd better learn the lessons in this book well, so you can ask the right questions.

## Advice

You've really got to be very, very, very careful who you take advice from when you're putting together a mailing. It's okay to listen to everybody if you want to --- heck, you never know when somebody's going to have something of real value to contribute. But you better be careful, too.

When it comes to advertising in general, and direct mail in particular, everybody's got an opinion. The typesetter, the layout artist, the printing broker, the press operator. Oddly, their opinions usually don't have much to do with their specialties. As an example, consider this recent conference I had with a team of vendors. The typesetter wanted to tell me how to write copy (not talk about typestyles). The layout artist wanted to talk about the color of the paper being used (not graphic devices to increase readership.) Geez.

## **What The Heck Is "Marketing", Anyway?**

I've been running around for over ten years, teaching successful marketing strategies, and I've gradually come to the conclusion that we can help ourselves by defining it before doing it.

The articles of mine reprinted on the following pages attempt to do just that.

## Successful Marketing Strategies For Any Business By Dan Kennedy

*The printing company's truck backed up to our warehouse door, loaded with about a hundred cartons of brochures for one of our companies. The driver got a pushcart out of the back, and asked where we wanted him to take the boxes to. Following our directions, he wheeled the cart full of boxes through our warehouse area and into a back office.*

*"Just pile them over there," I said. "We have to separate them by the title of the brochures parked inside before putting them on the shelves. "*

*"I've already done that for you," the driver said. "And these boxes are labeled with the different titles right here on the side to make it easier for you to access the right boxes." He then proceeded to put the boxes in the right places on the shelves.*

*Then, as he left the building, he closed the warehouse door behind him. And, incidentally he thanked us for our business.*

I don't know if this surprises you or not, but that's **MARKETING**! I'll tell you this: this experience was a lot different than our experiences with most vendors' delivery people. This driver was courteous. This deliveryman did more than was required of him. This deliveryman let us know that our business was appreciated.

Common courtesies, you say. Unfortunately, these courtesies are not very common at all. In fact, they're extremely rare. And it's worth noting that our society; our marketplace prizes that which is rare most.

This particular experience with this particular deliveryman may have been accidental. He may just be a naturally pleasant, considerate, helpful fellow. Or he may have taken it upon himself, for some unknown reason, to develop a pleasing personality, and to practice good customer relations.

But, if this is an accident, it is a great example of an accident that should be repeated on purpose, as a marketing strategy.

### **What is Marketing?**

Most people expect a column in a magazine on “marketing” to address such subjects as advertising, direct mail, increasing customers’ purchasing, stimulating referrals, finding a market niche, and so on. And you won't be disappointed: in future issues of THE PHILOSOPHY OF SUCCESS MAGAZINE, in this column, I will be addressing those topics and others like them. Specific methods and strategies that virtually any type of business can use to attract more customers/clients, and to do more business with the customers/clients they have.

But in this 'premiere column', I want to let you know that everything you think of as something other than marketing is actually marketing.

For example, most businesses think of maintenance as maintenance. The Disney parks think of maintenance as Marketing, because the remarkable cleanliness of the parks is a major stimulant of positive word-of-mouth advertising. What aspects of your business aren't thought of as marketing but should be thought of as marketing and reworked as marketing strategies?

QUALITY is certainly one of them. Product quality. Service quality. “IN SEARCH OF EXCELLENCE” author Tom Peters jokes about the retail executive who became aggravated at Peters' criticism of his industry in a seminar and cried out, "We are no worse than anybody else." Peters had a graphic artist design a company logo with the slogan in it: we are no worse than anybody else.

Quality must be developed as a marketing strategy, because no other marketing strategies can build and sustain a business without it.

Another aspect of business often over-looked as a marketing strategy is courtesy.

Courtesy can be expressed many different ways. Like the deliveryman taking time to sort the boxes. Or the Horschow mail-order company sending each item ordered during the holiday season in a beautiful Christmas-green gift-box, with a gold elastic ribbon, and a gift card, all at no extra cost. Or the Figi's Company, a mail-order marketer of gourmet foods and gifts, sending a personalized letter acknowledging receipt of an order and reassuring the customer that it will be shipped on time. Or the Doctor who calls his patient at home, the evening after treatment, just to "check on him." Or, even with a simple "thank you."

It's an important marketing principle: people want most what they have the least of. Today, somewhat sadly, the things most people get the least of are recognition and appreciation.

### **Gratitude As A Marketing Strategy**

Several years ago, I took over a business with mammoth collection problems; almost all of its customers had open-accounts and paid their bills ten to sixty days late (except those who didn't pay at all). We quickly instituted a number of corrective measures, including tighter credit controls and policies, interest charges, a sequence of past-due notices, and collection calls. However, we also

implemented a positive strategy. We started sending hand-signed thank-you notes for prompt payment to anybody who did pay on time . . . those who were almost on time . . . and even late payers who responded to a past-due notice. Guess what happened? Those customers who received the thank-you notes became better paying customers.

I know a Doctor who started a procedure of giving fresh, long-stemmed red roses to his women-patients who showed up for their appointments on time, or paid their bills on time, or referred another patient. "Funny things," he told me. "We no longer have patients missing appointments. Our collections have improved. Referrals are up. And, some guys are starting to ask how they can get roses, too!"

Here are a few specific ideas you might adopt, as ways of saying thank you:

- Keep customers' birthdays on file, and send cards and or small gifts
- Send Thanksgiving cards or letters
- Make it a habit to drop a personal thank-you note in the mail each day, to at least one customer
- Send a gift certificate or discount certificate to a customer who makes an unusually large purchase
- Host a "Customer Appreciation Event", a Christmas party, a backyard bar-b-que.
- Have an occasional closed-to-the public, preferred customer sale
- Drop in personally on your best customers. with a surprise gift

I figured it up just the other day; in 1986, personally and for my various businesses combined, I signed checks for well over one million dollars in payment for goods and services to all sorts of people and companies. And don't care what anybody says - a million bucks is a lot of money. Yet, I can count on the fingers of one hand the number of the recipients of all that money who've expressed any gratitude in any formal kind of way. Only one of them found out about and recognized my birthday.

Just saying "thanks" is a big step ahead of the competition today.

DAN KENNEDY is a Contributing Editor of *The Philology Of Success Magazine*: author and/or editor of a number of books, cassettes, newsletters and other publications, successful entrepreneur and executive. with ownership interest in eight diverse businesses, and a popular speaker and seminar leader Mr Kennedy can be reached clo Kennedy & Associates Consulting, 5313 N. 7th Street, Suite 5-149, Phoenix Arizona 85014 602/997-7707

## Successful Marketing Strategies For Any Business By Dan Kennedy

**Genius** is sometimes defined as the ability to make the complex simple. Certainly, "marketing" is a complex subject; so complex it's very difficult for many business people to ever get a handle on it. Its complexity is intimidating. After years in "marketing", I've finally found a definition of "marketing" that reflects the genius of simplicity. *MARKETING is simply making the right presentation of the right message to the right people.*

With that simple definition as a guide, just about every businessperson can clearly see his past errors, and do a more effective job of marketing in the future.

Let's talk about the right people first. Many salespeople and business owners have dramatically unsuccessful experiences with direct mail and with telemarketing for this simple reason: they're mailing to or calling the wrong people! Who are the right people? Prospects who most closely match the demographics of your good, established customers and/or your desirable customers. "Demographics" refers to statistical, lifestyle and preference information about people.

The best way to explain it is through example:

Let's say you've got a restaurant, a small retail store of some kind or a service business - maybe a hairstyling salon. Your business is doing well, but could do much better. A good first step in seeking new customers would be to find out as much as possible about your existent customers, in search of demographics that might help you in the pursuit of new customers. For example, you might discover that the majority of your customers live within a x-mile radius of your place of business. Or, you might discover that the majority of your customers drive late-model compact cars ... have MasterCard and VISA Cards ... subscribe to a certain magazine ...are between the ages of 25 and 40... are married. Armed with this information, you can obtain a mailing list, or compile a mailing list, of prospects who closely match the characteristics shared by the majority of your customers. You might, for example, get a mailing list of all the subscribers to *FAMILY CIRCLE MAGAZINE*, who are between the ages of 25 and 40 and who live within a 50-mile radius of your business. Is such a list available? You bet! You might get another list of MasterCard and VISA Cardholders, who are married and live within a 50-mile radius of your business. This is generally called LIST SELECTION and many direct-marketing experts believe it to be the single, most important factor in success or failure with a direct marketing campaign. I happen to agree, and firmly believe that money spent in obtaining the best possible list is

more than recovered via savings on printing quantities (in direct mail) and via improved response.

If you are unfamiliar with the availability of mailing lists and with list selection, you should begin your education with a visit to the main public library in your area, to study a huge directory: *Standard Rate And Data Service (SRDS)*. This directory provides detailed information on tens of thousands of available mailing lists and list suppliers. In your local Yellow Pages, you'll also find list brokers under the category "Mailing Lists." You should meet with several of these people before choosing to do business with one of them. You may also want to deal with national list brokers. There are a number of long-established, reputable list brokers and many of them publish catalogs of the lists they own and/or represent. If you'd like a free list of the brokers I personally recommend, just drop a note to Postal Marketing Institute, 5515 N. 7th Street, #5-149, Phoenix, Arizona 85014, and ask for the LIST OF MAILING LISTS.

You can also compile your own list for many purposes from local telephone directories, a "Criss-Cross Directory" that lists people by geographic area or membership directories of certain clubs or organizations. And, still another list compilation method, suitable for small businesses, is through inexpensive classified advertising. I know an attorney, for example, who has this ad running continually in the "business opportunity section" of his local newspaper. "Before you buy a business, obtain free consultation on legal issues you need to consider. Also: specialized assistance for the small businessperson with contracts, incorporations, partnerships, buy-sell agreements, etc. Call for FREE BOOKLET: THE SMALL BUSINESSMAN'S LEGAL QUESTION AND ANSWER GUIDE." He gets at least a dozen calls, every week, requesting his free booklet. These people are placed on his mailing list and receive letters and other information from his office, periodically, over a period of time. Eventually, over half of them come in for initial consultations and, again, more than half of these become clients. There are many different businesses that could adapt this idea to their needs.

So, our first three steps to success in direct marketing is targeting the right people to receive the message. In the next issue of *PHILOSOPHY OF SUCCESS MAGAZINE*, we'll tackle the second step: developing the right message.

I also want to encourage you to use your own customer list as a mailing list, more often and more effectively. Most business people "miss the boat" by failing to maintain frequent contact with their customers. For one thing, it's important to remember that someone who has purchased from you once, and been satisfied, is then predisposed to purchase from you again. Second, you do have competition to be concerned about, so there is a need to stay on the top of your customer's consciousness -after all, out of sight; out of mind. Third, frequently communicating with customers is an appreciated form of "extra mile service."

Here are a few ideas for communications with customers:

FOR ALMOST ANY BUSINESS:

- A News-And-Idea Letter
- Seasonal Greetings
- Thank You Letters

FOR RETAILERS:

- Preferred Customer Sale Flyers
- Letters introducing new products, product lines

FOR SERVICE BUSINESSES AND PROFESSIONALS:

- Reminder Notices of service date (time for a dental check-up, time for an oil change: etc.)
- Informative booklets or reports

It's been my experience that most businesses' repeat sales can be doubled simply by making additional, more frequent contact and offers to established customers!

## Successful Marketing Strategies For Any Business By Dan Kennedy

In our last article, we defined MARKETING as "*making the right presentation of the right message to the right people.*" Then we discussed how to determine who the right people are to contact for your particular business. This month, let's tackle the right message.

*"The right message"* will include everything that a customer or client of your type of business or user of your type of goods or services traditionally expects plus an added Unique Selling Proposition.

The customer or client already expects certain things from your business. *If you* operate a car dealership, for example, he expects you to have a showroom, an inventory of automobiles, salespeople, competitive prices, financing, and a service department. If you operate a restaurant, the customer expects you to have a clean, pleasant facility, menus, daily specials, waiters and waitresses, good food. If you're an insurance agent, your client expects you to offer a full range of insurance plans and policies, competitive rates, personalized service, prompt handling of claims and knowledgeable advice. Whatever your business, there are certain things that your prospective customer or client expects of you.

Your message has to affirm the existence of these expected things. It is a mistake to take anything for granted; to assume that the prospect *will* assume that you have them. Instead, "*you should put forth your complete sales message every time you deliver any message* at all." You cannot predict what information may be of prime importance to a given prospect at a given time, so you must present all the relevant information all the time.

Here's one example. I travel quite a bit, and often conduct evening seminars that end around 10:00 PM. I'm interested in finding a restaurant that serves dinner late in the evening and accepts American Express - those are the two pieces of information of prime interest to me. Eight out of ten times, one or both of these pieces of information is omitted from restaurants' Yellow Pages advertising. Of course, someone else may have a bias for family-owned and operated restaurants. A true Italian food lover wants to know if the pasta is homemade. The restaurant's message, then, needs to cover all of these bases, and many more.

In other words, the right message is a complete message. The more you tell, the more you sell! So the first step in creating a compelling sales message is to develop a comprehensive "master list" of every fact, feature and benefit of your

product, service or business you can think of. Don't be judgmental. List every thing you can possibly think of.

Here are some examples of marketers who have erred by omission:

A supermarket has "bag boys" take every customers' groceries to the car and place them in the trunk but never mentions this in its advertising. A manufacturer I recently consulted with guarantees on-time shipment or the order is free, but this policy appears only in fine print on the contracts. A restaurant has a relish tray and dessert included with all its meals, but never tells anybody until they get there. A car wash "Armor-Alls" the tires, dashboards, door panels and vinyl tops of all the Cars as a matter of routine, but never mentions this in its advertising. In each of these cases, I asked the owners of these businesses. "Why don't you talk about this in your marketing?"

The answers I got were:

- "Gee, we never thought about it."
- "Thee customer expects it anyway."
- "It's no big deal."
- "My competitor does it too."

Here are my answers. • You have to think about it! Leave no stone unturned in developing a complete marketing message. • How do you know what the customer expects? And even if he does expect it, shouldn't you let him know that he's right? • You can't possibly judge what is and isn't a "big deal" to your customers. You think differently than they do. • Your competitor isn't telling anybody either.

*So, Step One: develop a complete marketing message. Step Two: tailor the message to your market.* You've selected certain prospective customers or clients, based on demographics. That means that you know quite a bit about those people. That means you can organize your message to place the greatest emphasis on the things most likely to be of the greatest interest to those people.

Let's use the restaurant as an example. If you mail to people who are Diners Club members, then the fact that your restaurant accepts Diners Club is a very important part of your message. It deserves priority. You might even use it as the opening gambit in your mailing, i.e. "Dear Diners Club Member. There's a new dining experience waiting for you tonight!" On the other hand, if you're mailing to young marrieds who live in "starter homes" near your restaurant, your acceptance of Diners Club is a much less important item. It still belongs in your complete marketing message; some of the prospects my have a Diners Club card. But there are other parts of your message much more deserving of emphasis to these prospects.

*Step Three: add a "Unique Selling Proposition."* This is the final factor that differentiates your business product or service and marketing message from every other similar competitor. It is the answer to this challenging question: "Why should I call you/come to you/buy from you instead of anyone else in your business anywhere? I'll admit this IS one tough question. But if you can't come up with a good answer for it, I'd suggest thinking about getting into a different business.

Here are a few idea-starter examples of Unique Selling Propositions:

- Lucky Supermarkets claims to have "lowest prices overall" and documents the claim by comparing register tapes for assortments of groceries.
- Federal Express promises deliver by 10:30 AM. next day or no charge
- AmericaWest Airlines advertises "Less Fare. More Care". They then compete with the budget pricing of discount airlines but provide free drinks, copies of The Wall Street Journal, and other amenities.
- Dominos Pizza delivers in 30 minutes or the pizza's free. Pizza Hut used the same basic promise with their lunch pizzas.
- A dentist promises "after your first visit, your child will not argue, cry or otherwise give you a hard time about coming to the dentist."
- A furniture chain advertises its' "no money miracle", no payments for six months after purchase.

When you have a good, strong Unique Selling Proposition, the development of a compelling marketing message and the use of that message in advertising, direct mail and other forms of promotion becomes easy. Without a Unique Selling Proposition, marketing is difficult.

**There is one warning warranted about your marketing message:** don't promise what you cannot or will not deliver. Businesses that lack this integrity almost inevitably fail. It may take a while, but they fail.

Each dissatisfied customer can do irreparable, huge damage to your business. Some research I've seen indicates that the average satisfied customer tells 3 people about his experience while the average dissatisfied customer gripes to 11 other people. That ratio obviously can destroy a business.

How do dissatisfied customers develop? The #1 Cause of dissatisfied customers is a significant breach between the promise of the marketing message and the reality of product and/or service. Then, the #2 Cause is an apparent lack of concern on the business' part when a complaint is registered about this breach.

As some of you who follow my writings and recordings are well aware. I had a major altercation with the previously mentioned AmericaWest Airlines, over a damaged piece of luggage. (I reported on this in copious detail in an issue of the "Lessons From America's Worst Run Companies Cassette Series" published by

General Cassette Corporation). This incident and lack of responsible reaction to it by AmericaWest's people was all the more irritating, of course, because of its juxtaposition to the "more care" selling proposition.

To be fair, I want to now acknowledge that a copy of the Cassette and my correspondence finally reached Mr. Edward Beauvais, the CEO of AmericaWest Airlines, and he demonstrated that he was, in fact, very concerned with passenger service and satisfaction. He took responsible remedial action, including replacing my damaged Hartman with a brand new one at the airline's expense. As it should be. The unfortunate fact remains that, at least up until now, his willingness to accept responsibility for his company's errors; his desire to preserve passenger goodwill, his integrity; even his good common sense has not filtered down through the ranks of his organization. The incident with me only cost his airline a few thousand dollars in lost revenue during the dispute and the price of a suitcase. However, the long-term failure to match the reality of service with the advertised promises could cost the airlines millions of dollars, if not its very life. If there are desirable benefits from selling "more care", then everyone must accept the responsibility of delivering "more care", because the customers who buy the "more care proposition" then expect more than they otherwise would have.

**No marketing message is strong enough to overcome a disappointing reality over an extended period of time!**

For that reason, I urge you to view "customer relations" as positive, productive, profitable marketing - not, as so many businesses do, as a costly, necessary evil or worse as a "buzzword" to be tossed about lightly. I highly recommend the following helpful materials: Frank Cooper's book titled, THE CUSTOMER SIGNS YOUR PAYCHECK, and Jerry Wilson's audio cassette HOW TO BUILD CUSTOMER LOYALTY AND WATCH SALES SOAR!

In the next Issue of PHILOSOPHY OF SUCCESS MAGAZINE, we'll complete the successful marketing equation with the keys to the right presentation.

## Successful Marketing Strategies For Any Business By Dan Kennedy

In the two previous Columns, in the two previous issues of Philosophy Of Success Magazine we defined **MARKETING** as "*making the right presentation of the right message to the right people.*" We've already discussed how to find the right people and how to create the right message; now we need the right presentation to completes the marketing formula.

The marketing media used to deliver the presentation can differ dramatically. It might be a sales letter, a direct-mail package, a newspaper or magazine ad, a TV commercial, a telephone call, an in-person sales call, a group presentation (seminar), a brochure, a catalog, etc. But regardless of which media you use to deliver a presentation, there are certain keys to making it as effective as possible.

**THE FIRST KEY** is that the presentation has to be well organized. People have to be led through the presentation in a prepared, thought-out, step-by-step manner. You'll have to decide, for example, whether or not you first have to establish the need before even beginning to sell your product or service. A company selling dog food doesn't have to do this if they are talking to dog owners (the right people) about a superior quality, vitamin-fortified, discount-priced dog food (the right message), they can leap right into presenting that dog food. On the other hand, a company selling an alarm device that goes off when someone - such as a child - goes in your backyard swimming pool, may be talking to swimming pool owners (the right people) with a persuasive argument about this great device offered with free installation and 12-month, no-interest financing (the right message) but might have to start by discussing statistics concerning accidental drownings in swimming pools, risks of lawsuits, etc., before even selling their device. You have to think through a step-by-step order for your presentation.

**THE SECOND KEY** is that the presentation has to be understandable. One of the most common errors made in marketing is over-estimating the intelligence and sophistication of the customer, client or prospect. A brilliantly planned and delivered presentation full of jargon and buzzwords unique to your business, vocabulary unfamiliar to your prospects, difficult concepts, complex math or long, complex sentences (like this one) will not get desirable results. The *confused* person does not buy. The *frightened* person does not buy, in most cases, the *intimidated* person does not buy. The marketer has to relate to his customers at their *actual* level of thinking, not the level he thinks they think at!

Most of us have illusions -- dangerous illusions -- about the sophistication of our clientele. It's actually flattering to me to believe that my clientele is smarter than "average", isn't it? In this case, that kind of self-flattery can be fatal. To create the right presentation, you really have to get a *feel* for your prospects and customers. Go drive around in their neighborhoods, eat where they eat, shop where they shop, read what they read, and so on. To use IN SEARCH OF EXCELLENCE terminology, *get close to the customer!*

Here's a great lesson about putting together the right presentation in retailing by being close to the customer. At Stew Leonard's super-supermarket, they were bringing in fresh fish everyday, carefully packaging it, and putting it in the freezer cases, labeled as "fresh fish." They had the right message (people who like fish really like fresh fish); they had the right people (many of their customers are upscale consumers who have the money to buy fresh fish, the time and inclination to prepare a meal with it, and an appreciation of it) but for many of their customers, they had the wrong presentation. One of their customers told them that she wished they had *real* fresh fish, like at the fish markets --laying there on a slab of ice. Stew Leonard and his people divided the fresh fish that came in each day in half and presented the same fish two different ways: one, as they had been packaged; two, unpackaged, on a slab of ice, in a little food display unit labeled 'Fish Market.' Guess what? Their sales of fresh fish more than doubled!

THE THIRD KEY is that the presentation has to be interesting, even exciting and dramatic. Whatever you do in marketing, don't be boring! Your presentation has to make it fun for your customer to buy. It has to make it impossible for him to ignore it. It has to so captivate his curiosity and interest that he can't turn away from it until he's read or heard every word.

I just saw a new, TV-commercial for a high-fiber cereal that is really dramatic. The man is sitting reading a newspaper, I think the WALL STREET JOURNAL. He lays it down on the table, folded to an article, looks at his wife, and in a very serious voice quietly says, "We've been *killing* ourselves." Now are you going to turn away from that? Don't you have to wait and see what these ordinary looking people have been doing to themselves? My God - maybe we've been doing the same horrible thing to ourselves!

THE FOURTH KEY is that your presentation has to demand action. I don't care if you are selling in person, in print or on television, you cannot afford to be subtle. You've got to tell the person exactly what you expect him to do, how to do it and when to do it.

Too much marketing is wimpy. It stops short of demanding any action. Here's our beautiful new car--- but never: now come on down to the showroom, plop your rear-end in its driver's seat, and test drive the darned thing this Saturday from 9 to 4 and get a free case of Pepsi. Here's our wonderful new product --- but never: now go to your phone, dial our toll-free number, and get a free sample sent to you along with \$5 in coupons.

When you combine these four keys to Presentation with the other marketing ideas already covered, you'll have a marketing formula that gets great results every time.

In the next column, I'll introduce you to several of the greatest direct-marketing campaigns ever used, and how you can apply the ideas to your business.

Mr. Kennedy is a Contributing Editor of Philosophy Of Success Magazine and an internationally respected marketing expert. He is a Member of the Direct Marketing Association, and consults with many different types of businesses on marketing strategies. He is also the Author of two Cassette Learning Programs: SUCCESSFUL MARKETING STRATEGIES FOR ANY BUSINESS and SUCCESSFUL DIRECT MARKETING STRATEGIES FOR ANY BUSINESS published by General Cassette Corporation.

## Successful Marketing Strategies For Any Business By Dan Kennedy

In previous issues of this column, we've defined "marketing" as "making the right presentation of the right message to the right people." In the Cassette Program I recently completed: *SUCCESSFUL DIRECT MARKETING STRATEGIES FOR ANY BUSINESS*, I used an advertisement for a restaurant in the Lady Luck Casino as a perfect example of this definition in action. Now this same entity, the Lady Luck Casino has done it again and deservedly won the 1987 Silver Echo Award for Newspaper/Magazine Traffic Building. Examining their award-winning and successful traffic-building strategy provides a great object lesson for anyone with a retail store, hotel, restaurant, beauty salon or any other business where attracting new customers is important.

The Lady Luck is not located on the famous Las Vegas Strip and it had an ad budget of only \$37,000.00. Somehow, it needed to use this comparatively small mound of ammunition to compete with the giant hotels' colorful, glamorous, neon advertising. Most of the Lady's competitors run beautiful, full-color, full-page newspaper and magazine ads featuring glamorous chorus girls, famous celebrities and striking photographic montages. With only \$37,000.00 to spend for the year, matching that approach was "out."

First, the Lady's marketers carefully researched which airlines fly the most tourists to Las Vegas. This was an exercise in finding the most cost-effective media possible for reaching "the right people."

Second, a half-page, horizontal ad was created that was the dramatic opposite of other casinos' advertising; it had no photos, no girls, no color, only 460 words of copy and the headline: "WIN - OR YOUR MONEY BACK!" This editorial approach was "the right presentation", guaranteed winning represented "the right message." (The actual message is centered around each customer's opportunity to take a "pull" on a special slot machine and either win a big prize or get his money back.)

Did this work? You bet! Every objective set was beat: in five months, the projected response was exceeded by 174%; an additional 5,192 airline magazine readers requested the coupon book advertised; cost per response was reduced by 82% compared to previous, more conventional advertising; and \$535,475.00 in directly measurable revenue was generated. For every dollar invested, \$14.32 was returned.

There are a number of lessons to be learned from all this. Here are a few:

1. Direct marketing is often the best method of presentation, even for businesses that do not customarily use direct marketing. Every business owner can benefit from learning about direct marketing. (If you'd like a complete list of

suggested books, tapes, magazines and newsletters for the serious student of direct marketing, just drop me a note in care of this Magazine.)

2. Contrarian marketing often outperforms copycat marketing. If everybody, in a given business, seems to be using a particular method of attracting customers, there are two reasonably certain conclusions that can be arrived at as a result. First, that the method is working, at least for those who started it, who have now been copied by so many others that it's an obvious trend. Second, it is being worn out rapidly and its effectiveness will diminish in the future. When you come in as a copycat marketer, chasing an already developed trend, you are more likely *to* lose than *to* profit. Often, you can create the next, new trend by doing the opposite of what your competitors are doing.
3. Success in marketing begins with the step most are too lazy to do quality research. The cost of good research is an investment that almost always pays big dividends down the road.
4. As advertising wizard David Ogilvy observed, "The heart of a *great advertisement* is a *great big promise*." In the Lady Luck's case, "win or your money back" is a big promise. Unlike any competitors' promises. Radical for the industry. Look carefully at your marketing efforts and see whether they feature big, exciting, provocative promises or small, ordinary promises or even no promises at all.

Learning and living by these lessons alone can make a big, positive difference in the success of your marketing efforts.

As we approach the end of one year and the beginning of another, it seems appropriate to call your attention to another fundamental marketing idea, even though it is out of sequence with our Issue-by-Issue progression through a course in marketing. The idea is: clarity of purpose. This is the time of year when we typically take time to reflect on the accomplishments, disappointments and events of the past eleven months and then to look ahead and contemplate, forecast and make resolutions for the twelve months ahead. As you go through this exercise, I urge you to evaluate the relative foggy and clarity of your marketing objectives and plans from last year and to work for greater clarity for the objectives and plans of your new year.

One of the unique things, I think, about my approach to teaching marketing, to doing marketing consulting and to implementing marketing campaigns, is that I base it all on proven "success philosophy." For example, I find that the principles enumerated in Napoleon Hill's classic *THINK AND GROW RICH*, examined in-depth in Foster Hibbard's teachings and presented in modern, practical form in the new book Foster and I co-authored (*Secrets To Guaranteed Goal Achievement*), are as relevant to marketing as they are to more general personal and professional success. One of those principles is, of course, "Definiteness Of Purpose." It is a great watchword for marketing decisions and investments.

MR KENNEDY IS A CONTRIBUTING EDITOR TO THIS MAGAZINE. FREQUENT CONTRIBUTOR TO OTHER PUBLICATIONS. AUTHOR OF SEVERAL BOOKS AND PROFESSIONAL SPEAKER BOTH ASSOCIATIONS AND CORPORATIONS CAN BENEFIT FROM HAVING HIS "SUCCESSFUL MARKETING STRATEGIES SEMINAR: IN 3-HOUR OR 6-HOUR FORMAT. FOR INFORMATION CONTACT MR. KENNEDY IN CARE OF THIS MAGAZINE.

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1. We only accept clients we strongly believe we can help. If a client's needs are beyond the scope of our expertise, we'll say so. If possible, we'll refer such a client to an appropriate professional.
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