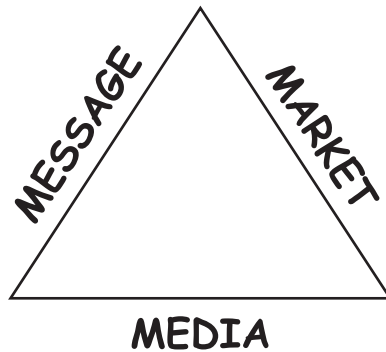


## “Poor Boy” Marketing Strategies



Early in my business career, I was wisely advised, “Boy, the first thing you got to do is avoid going broke while you’re getting rich and famous.” Had I paid closer attention, I might very well have saved myself from considerable financial strife. Observing others, I’ve noticed how frequently entrepreneurs bankrupt themselves with expensive advertising and marketing schemes when their interests would be better served by low-cost methods. When you stop to think about it, it’s easy to “buy customers”—given

enough money (or credit), any idiot can build up a business, and many idiots have, using up millions of dollars of stockholders' equity in the process. Genius is in getting customers and making sales without having to use up a huge chunk of capital to do it. The ideas in this chapter are dedicated to that objective.

## **It's Opportunity Calling!**

The phone rang persistently in the little shoe store where I was buying a pair of shoes. Finally, after six rings, the clerk at the counter said, "Dammit—I'm busy" but grudgingly answered the phone. Guess how he sounded to the caller?

This attitudinal error must occur a million times a day in every imaginable type of business, as the incoming call "interrupts" the important work. Fix this and you've taken a giant step forward in attracting new customers as well as retaining the ones you have.

An inbound call can be many things: the tax collector, your mother-in-law announcing a surprise two-week visit, or the merchant next door reporting that your roof is on fire. These calls have varying degrees of importance. But the call can be and often is from a prospective customer, present customer, or past customer, and that is Opportunity calling! These calls must not be thought of as interruptions.

If the call is from a prospective customer, the job of the person handling the call must be clearly defined, understood, and enthusiastically pursued: to get the customer into the store, to get her name, address, and phone number, or to set up an appointment. It is not just to dispense information.

Let me tell you one of the most instructive true marketing stories I have ever encountered:

The owner of a large auto-parts store was extraordinarily frustrated with his advertising, complaining about weekly expenditures of tens of thousands of dollars in the newspaper, on radio, and on television, all

yielding few customers. But a conversation with his employees revealed their frustration with the constant ringing of the phone—calls from people asking questions, constantly interrupting them. A Saturday in his store provided a count of more than 200 incoming calls. Here’s how every one was handled, with varying levels of courtesy and friendliness:

“XYZ Auto Parts—how can we help you?” The caller would then state his business. Most often, his inquiry sounded like this: “I saw (heard) your ad—how much is a flibittygibbet for a ’68 Ford?”

The answer then went like this: “Lemme look it up—hold on . . . still there? It’s sixty-two fifty.” Click.

As you can immediately detect, there was no problem at all with this guy’s advertising. And, to be fair, his people really weren’t at fault either. He was the problem. He was the one who had no earthly idea what was going on inside his own business. He was the one who had failed to educate his people about the importance of these calls. He was the one who had failed to train his people in effective handling of the calls. He was the one who had failed to motivate his people. He was the one who had failed to monitor their performance.

Here’s what we did:

1. We devised a new phone script to capture the caller’s name, address, and number.
2. We taught the script to all the employees.
3. We instituted a reward pool of fifty cents per captured name, address, and phone number, divided at day’s end by everybody working that day.
4. We added a “telephone upsell” to the script.

## ULTIMATE MARKETING SECRET WEAPON #10 Capture Callers' Identity and Market to Them

Immediately, with this strategy, the number of callers converted—ones who came into the store that same day—increased significantly. Overall, after follow-up mailings to all the callers, the store captured more than 50 percent of the callers as customers!

## ULTIMATE MARKETING SECRET WEAPON #11 The Telephone Upsell

In addition, we added revenue and profit with the telephone upsell.

You're familiar with this if you've ever ordered by phone from a well-run catalog company. After the operator has taken your order, she'll usually do a "Columbo": Oh, just one more thing. We have a special offer just for today's callers—would you like to hear about it? I recently ordered from The Sharper Image, and the operator walked me through six different specials.

This technique works in that application, and there's no reason it can't work in others.

The auto-parts store's upsell script sounded like this:

"Oh, just one more thing—we have an extra special offer just for today's callers—would you like to hear about it?"

More than 70 percent said yes.

"Good. Any caller who comes in today or by noon tomorrow will receive a 5 percent discount coupon good for any purchase in the store and a free copy of our 400-page catalog. Also, there's a sale right now on (insert product). I can set your coupon and catalog aside in your name if you are coming in. Should I do that?"

More than 50 percent said yes. More than 25 percent actually showed up. More than 15 percent not only came in but also bought the item they originally called to ask about and bought the sale item described on the phone.

## Reach Out and Grab a Customer

Fact: the telephone lines run in both directions, in and out. According to Bernie Goldberg, author of the book *How to Manage and Executive Telephone Selling*, someone making outbound telemarketing calls to homes can average twenty-five to thirty-five dialings per hour and ten to fifteen completed calls per hour; someone calling businesses, twenty to thirty dialings and five to ten completed calls per hour. If a person costs you \$10.00 per hour and completes just five calls, that's a cost of \$2.00 per presentation; if the person gets ten done, you're down to a cost of \$1.00 per presentation. This is comparable to or less than other advertising and marketing methods and much faster to get done.

Why use the telephone? Well, just about everybody's got one. And just about everybody answers it when it rings. They may skip your ad in the newspaper. They may throw out your mail unopened. But when the phone rings, they answer.

My appreciation for the phone goes back to age fifteen (yes—fifteen!) when I decided to make some money selling Amway products. My parents were distributors, and I have to say, as an aside, that the exposure to selling, to certain attitudes, and to ambitious people that I received thanks to their involvement was, and is, priceless.

Having no money for advertising, no car to get around in, and no friends, relatives, or neighbors to sell to—those were my parents' customers—I was left with the telephone and the white pages. With some help, I devised a little telephone survey beginning with questions about environmental and water-pollution concerns, then switching to a pitch for Amway's biodegradable, ecologically wonderful, etc., laundry compound. Even the fuzziness of the passing of time has not blurred the memory of how miserable it

was to make these calls: hundreds and hundreds of no answers, hundreds of people too old, too young, unable to speak English, or unbelievably nasty, and hours without a positive response. But I also clearly remember the “thrill of victory.” And, more important, I can look back and realize that with a lousy script, terrible technique, and no selectivity in prospects, I still made money and acquired customers. I left that business more than thirty-three years ago, but I happen to know that some of those customers are still buying Amway products today, month after month after month, each having cumulatively spent tens of thousands of dollars.

Sadly, such “cold” telephone prospecting to consumers is now outlawed. However, you can use postcards, sales letters, ads, Web sites, and every other medium to motivate people to call you or call your “free recorded message” (see Step 12); then, with their permission, you can make follow-up calls to them. Telephone conversation with interested prospects remains one of the most direct, cost-effective marketing tools available to us.

An interesting substitute is the “tele-seminar” or “tele-conference” to which prospects are invited as a group (also discussed in Step 12).

Now, for some good news: there are basically no restrictions on business-to-business telemarketing.

For a printing company, I had a list compiled of small businesses and phone numbers from the area immediately surrounding the shop, created a simple phone script, and made a competition out of it for the five employees, none of whom were salespeople or telemarketers. They each “found the time” to make one call per hour—eight calls per day. The one who got the most new customers during the week got \$100.00. The shop made 40 calls a day, 200 calls a week for \$100.00—fifty cents each. The shop also gained an average of ten new customers each week. ANY business could copy this idea.

Some years ago, Fran Tarkenton, former NFL superstar turned businessman, with whom I had the pleasure of coauthoring “The Be Your Own Boss System” for *Entrepreneur Magazine* and with whom I’ve worked on

two TV infomercials, got the idea of selling advertising space on airline ticket jackets. He struck a deal with an airline, then faced a question: How best to get the advertisers under contract?

Fran chose the simplest, cheapest, fastest way he could think of: He locked himself in a New York City hotel room for several days and called prospects on the phone. The strength of his name was enough to get through to decision-makers; other marketers have to find other ways to get that done. In less than a week, Fran sold millions of dollars of advertising contracts for his newly invented medium to major national corporations and made himself a lot of money.

There is one overwhelmingly superior way most businesses should use telemarketing, if they use it only one way:

## ULTIMATE MARKETING SECRET WEAPON #12 Telemarketing after Direct Mail

Almost without exception, a telemarketing campaign linked to direct mail increases the initial direct-mail results by 500 to 1,000 percent!

Here's a formula for a telemarketing script that is simple and effective:

1. IDENTIFY YOURSELF

This is John Smith from ABC Widgets calling.

2. REASON FOR CALLING

I'm calling to arrange for delivery of a free gift for the person in your company responsible for purchasing widgets.

OR

I'm calling to follow up on my letter to the person in charge of purchasing widgets, to arrange for delivery of a free gift.

3. IDENTIFY DECISION-MAKER

Who in your company handles widget purchasing?

4. GET TO THE DECISION-MAKER

May I speak to Mr. Widget Buyer for just three minutes please?

5. GET PAST “SCREENING”

Rather than leaving my name and number, I'd very much appreciate setting a time that I should call back—I need to arrange for delivery of his gift with him personally within two days. (ALTERNATIVE CLOSE) Would it be better if I called back at (insert time) or (insert time)?

6. REPEAT 1 AND 2 WITH DECISION-MAKER

Mr. Widget Buyer, I'm John Smith from ABC Widgets. As part of our (insert month) new-customer promotion, your company has been selected to receive, as a free gift (insert whatever the gift is), just for (insert desired result: coming into store this week, setting up an appointment, whatever) and I'm calling to arrange for you to receive this gift.

7. ASK FOR THE DESIRED ACTION

Example: I'd like to personally bring your gift in and give you a brief demonstration of the ABC Widget in action. Would tomorrow morning or afternoon be better for you?

OR

Example: I'd like to set your gift aside with your name on it, but I have to know when you'll be coming in. Will tomorrow morning or afternoon be better for you?

## **YCDBSOYA**

My father had a pair of cufflinks when I was a kid that were black squares with raised gold letters: YCDBSOYA. The letters stand for:



## You Can't Do Business Sitting On Your Ass

A few years ago, a favorite restaurant of mine failed during its “summer slump.” But at no time did its owners get up off their butts and go out into the community door-to-door to hand out coupons or flyers. Or go to the phone and make telemarketing calls. Or do anything else that was proactive. They just sat there and the business died.

In the same community, that same summer, a young chiropractor got ready to open his new practice—with at least a dozen competing chiropractors surrounding his office already established in the area. He spent one full month prior to opening going door-to-door, house-to-house, introducing himself, asking the residents about the area and their health interests, and making friends. He knocked on more than 2,000 doors that month. And from the first day he started seeing patients, his practice has prospered. In its first year, it outperformed all the established practices in the area.

There are three types of people: those who make things happen, those who watch things happen, and those who wonder what happened. I think you'll find that most successful businesspeople you know are in the first category.

## Through the Looking Glass

Bruce David, a savvy marketing consultant, told me about the hardware store owner located in a busy shopping center. The owner white-painted almost all of his window, leaving open only a small circle that passersby could look through. Above the circle, he posted a sign reading *FOR MEN'S EYES ONLY*.

Inside, Bruce and the storeowner had constructed an impressive display of power tools along with signs featuring great sale prices.

As you can imagine, people lined up to peer through the circle. Very few people passed without looking. People who would have passed an ordinary window display without a second glance were drawn to this

display. And, in case you were wondering, just as many women looked as did men.

If you own any kind of retail establishment and can't "steal" this idea, you're brain dead. I am continually amazed at the number of businesspeople who do not use their windows to promote and to attract customers.

Here are some other great window ideas:

- "Live" mannequins
- Big-screen TVs playing videos
- Weird objects, like The World's Largest Ball of Barbed Wire
- Huge objects. A company in New York called THINK BIG, INC. offers giant pencils, crayons, toothbrushes, baseball gloves, and dozens of other objects perfect for store-window displays.

## Teaser Advertising

The problem with running a big ad in the newspaper, in a trade journal, or in a national magazine is the number of people you pay for who simply don't see it. On any one day, your best prospects may be out of town, sick in bed, or too busy to read the newspaper.

One strategy to focus attention on your big ad is to precede it with a series of tiny, low-cost teaser ads. For example, consider the new computer store desirous of making the business community aware of its existence. For two months, in the weekly city business journal, it ran these small display ads:

COMING ON THIS PAGE IN 4 WEEKS:

THE MOST ADVANCED . . .

COMING ON THIS PAGE IN 3 WEEKS:

THE MOST ADVANCED SOLUTIONS . . .

COMING ON THIS PAGE IN 2 WEEKS:

THE MOST ADVANCED SOLUTIONS TO 46 DIFFERENT . . .

COMING ON THIS PAGE IN JUST 1 WEEK:

THE MOST ADVANCED SOLUTIONS TO 46 DIFFERENT

NAGGING, FRUSTRATING, EXPENSIVE BUSINESS

PROBLEMS PLUS 1 ABSOLUTELY IRRESISTIBLE FREE

GIFT OFFER . . .

By the time the computer store ran its full-page grand-opening advertisement, including suggested computer solutions to forty-six problems and a great free-gift offer, the regular readers of this journal *were looking for his ad*.

## **Chug, Chug, Chug Advertising**

One of the tele-conferences I did last year was with Platinum Member Jerry Jones and Gold/VIP Member Derek Freund on "Direct Mail Secrets." Both these guys mail hundreds of thousands—even millions—of direct-mail pieces each year for their clients, so they have a wealth of knowledge. One of the things we talked about is the business owner's discipline in finding and continuing to use the "bread-'n'-butter" methods of bringing in customers . . . those things that aren't flashy, that don't produce huge numbers, but just chug along month after month, earning their keep. There are those things in direct mail. There are such things in print advertising as well.

Most businesses *can* utilize small and, in some media, inexpensive ads that target specific prospects, and earn their keep continuously—but most businesses *don't*.

One good example is the small ads in the *New Yorker* magazine. If you read the *New Yorker*, *Atlantic Monthly*, or a number of other

“high-end demographic” magazines, you will see many ads like these, including many appearing every month, unchanged, year after year after year. Nothing fancy. Nothing real smart. Yet most of these are effective enough to keep running. For your own education, you might go to the library, pick up a dozen diverse magazines—*Esquire*, *Rolling Stone*, *Cosmo*, *Entrepreneur*, *Popular Mechanics*—and find these little ads in the current month’s issue. Then look at an issue of the same magazines from two, three, or five years ago to see how many small ads in those old issues match the current ones. You’ll probably be surprised at the number.

Admittedly, one small ad does not a business make. But my friend Melvin Powers at Wilshire Books built a huge mail-order book business with ads this size run month after month, year after year, in hundreds of magazines. Each keeps chugging along, producing small numbers but producing sufficient numbers. Combined, they produce big numbers. Gold/VIP Member Dr. Paul Searby fueled his very profitable dental assistant school exclusively with small classified ads only in weekly community newspapers in a circle around his office. One of my private clients, who prefers I not use him or his ads as examples, has run the same two-inch display ad in some eight or nine magazines for more than ten years, and makes a very comfortable living doing nothing else.

This is a rather dull and boring approach, so most don’t stick with the program! For example, one client had a two-inch ad he was running in four or five of his industry’s trade journals. Some months he was also in those same magazines with full-page ads; in other months he was not. Over six months, the dinky ads produced a 5-to-1 return on investment (ROI). But he stopped running them. You might ask: Why? For one thing, the ROI was healthy but the numbers unexciting—forty or fifty leads, eight to ten sales. For another, he was bored with them. This occurs with a lot of people. They are too impatient to put a lot of “little vending machines” in offbeat locations, each selling one bottle of goo a week—they want the one big “store” that’ll attract thousands. They lack the discipline to keep tiny ads running in many publications every month. However, the longevity

of businesses deriving little streams of profitable businesses from many different places is better and more certain than those businesses deriving big floods from few sources.

There's a lot to be said for "grinding it out." I just returned from Vegas. Most people would be surprised to know the very small number of profit dollars produced per hour by each slot machine, by each table game. The casinos really do "grind out" small dollars multiplied by lots of machines. In fact, the lingo for the down 'n' dirty, slots-only places is "grind joint."

A worthy goal is development and ownership of a small, "evergreen" ad that can just chug along, week or month after week or month, year after year. I envy those who own such incredibly valuable assets pretty much ignored by competition. The ad for shoe lifts to make men taller, for example, has run every month in a number of magazines for at least thirty-five years that I'm aware of, without one word changed. Wish it were mine.

The Internet has made this approach more viable. In an increasing number of arenas, it is economically feasible to use these small ads to drive interested prospects to a Web site and to offer no other means of response—something I would have argued vehemently against two years ago but now know works in certain situations. In fact, I will soon be testing it myself for a particular product.

Why not find as many places as you can to run a little ad, constantly? Do this even if one place makes only \$1.00 profit every month.

## **Take-One Boxes and Contest-Entry Boxes**

Everything from cosmetic makeovers and spa memberships to vacation clubs and credit cards are successfully promoted via take-one boxes and contest-entry boxes placed in businesses.

The purpose of these box systems is, of course, to collect names of somewhat qualified prospects for follow-up by mail or phone. A box can cost as little as a couple of dollars and, located in a busy business, collect hundreds of leads each week. A retail business that I had an interest in

for several years had its managers drop off contest-entry boxes at outdoor bank ATM machines on Friday evenings and pick them up Sunday evenings to collect hundreds and hundreds of leads for follow-up. The banks probably would not have approved of this gambit, but I will tell you it was very effective.

A couple of years ago, I worked with a company marketing home security and fire protection systems by bringing homeowners to group presentations at local restaurants, as winners of free dinners. They got all their leads from contest-entry boxes placed (with permission, unlike the above-mentioned guerilla use of ATM locations) in gas stations, convenience stores, other retail stores, beauty salons, and so on, all over each town where the company had sales reps.

If I had a business that could effectively follow up on leads by mail or phone, I would develop a contest-entry box and hire a reliable, ambitious college student in need of extra income to place a number of the boxes and then service them weekly or biweekly. I would pay the kid by the number of leads or the number of leads converted to appointments or customers.

When using a contest-entry box system, it's important to offer and honestly deliver a valuable, appealing first prize. In Phoenix, weekend getaways to cooler San Diego work very well. But, although not announced in advance, every entrant wins a second prize.

Let's say you want to promote an Italian restaurant, and you want to specifically increase your weekday early dinner traffic. First, you get ten contest-entry boxes placed in nonrestaurant businesses, probably in a circle around your restaurant. Second, you collect all the leads after a week or two. Third, you or somebody else calls these leads, or you send mail to these leads with this message:

Thank you for entering our San Diego vacation contest. Unfortunately, you did not win the first prize—it was won by Mr. and Mrs. Jones of Glendale, Arizona. However, you have won a valuable second prize: The enclosed certificate entitles you and your spouse or friend to a 2-for-1 dinner deal at our beautiful Italian Ristorante on 12<sup>th</sup>

Street, Monday through Thursday from 5:00 P.M. to 7:30 P.M. With this certificate, you pay for just 1 dinner and get a 2<sup>nd</sup> dinner of equal or lesser value free! Enclosed is a miniature copy of our menu so you can see in advance the tremendous variety and reasonable prices we offer. Please call for reservations and redeem your certificate within the next 21 days.

If nothing else, these strategies dispel the damaging, often repeated idea that you need money to make money. I was recently at a seminar where each attendee's business project was analyzed, discussed, and worked on by the entire group. One fellow came there with the belief that he needed to raise or borrow \$2 million to successfully implement his business project. By the time the seminar was over, he had a good business plan requiring less than \$5,000.00.

## **The Power of Cooperation**

Cooperation can be carried too far, a camel being a horse built by committee, and I am not a big fan of groups. But I do believe in strategic alliances.

### **ULTIMATE MARKETING SECRET WEAPON #13** **Asset Sharing for Marketing Success**

Two noncompeting but somehow related merchants—such as a pet store owner and a veterinarian; a restaurant owner and a theater owner; a sporting goods store owner and a sports-bar proprietor; an auto dealer and a car wash owner; a computer company and an office supply store—can share their customer bases, their store traffic, and even their advertising to build each others' businesses and stretch their advertising dollars.

In this same category of cooperation, there are joint ventures. In the world, there are basically just two groups: those with customers and those without customers. Each has a need, although someone in the first group

must often be educated by someone in the second. The person with a thriving business and good group of responsive customers needs to be of greater and greater service to those customers, and he needs ways to make more money with his customers without doing more work. He may or may not understand this, but he owns the most valuable asset in the world: customers. Then there's you—the entrepreneur with a product or service or business that would be of interest and value to his customers. In direct marketing terms, he could be a “host” and you could be a beneficial “parasite.”

Simple example: A dry cleaner has 500 good, repeat customers. But he's nearly at capacity and couldn't do much more dry-cleaning work without adding equipment and space and personnel. How can he make more money? Well, those 500 customers have carpets in their homes, and two or three times a year, they need a good, reliable carpet cleaner. Mr. Dry Cleaner isn't prone to get into a second business. But you, Mr. Carpet Cleaner, can pay him for an introduction and endorsement to his customers. That's host/parasite marketing.

The absolute all-time master of this in my kind of business, the information products and seminar business, is my Platinum Inner Circle Member Ted Thomas, an expert in teaching tax lien, real estate, and foreclosure investing strategies. Ted sells millions of dollars' worth of his books, courses, and seminars every year with no “front end.” That means, he does not invest money in advertising or direct mail or anything else to get a customer of his own from scratch. Instead, he spends his time finding and forming good working relationships with hosts, who already have customers. To give you a quick idea of the power in this, here are actual net profits from several host/parasite campaigns Ted has engineered, each covering only a 4- to 6-week period of time: \$57,000.00, \$15,000.00, \$30,000.00, and—gulp!—\$210,000.00.

I will summarize Ted's key thoughts about host/parasite marketing:

1. Businesses spend fortunes finding and rounding up customers.



2. You can eliminate your out-of-pocket costs, risks, and experimentation by simply paying a host to allow you to be a beneficial parasite, to use the customers that already exist.
3. Host and parasite cooperate to exploit the value in the customers in a way that host couldn't or wouldn't do on his own.
4. Make it easy for the host to say yes. It should involve little or no work for the host, so you need to have sales letters and materials, Web site material, in-store signage, and whatever else is needed for the sale done, tested, proven, and furnished to the host, so he does not have to invest time or money creating anything. You need to guarantee customer satisfaction, so the host does not endanger his reputation.
5. Make it an irresistible financial win for the host. And I would emphasize here, do *not* be a cheapskate about this. Consider what it costs you to get a customer on your own!
6. When you have a success, nurture the relationship so you can repeat the same promotion or do other promotions with that same host, and use that host as a testimonial when you approach other possible hosts.

---

### Resource!

---

If you happen to be an information marketer like Ted Thomas and me, with books, courses, seminars, coaching programs, etc., to market, you should know that Ted is the king of joint venture marketing in our industry. He has written a Free Report: The Joint Venture Advantage, which you can request by fax at 321-449-9938. There is also additional information about joint ventures and host/parasite marketing for all types of businesses in the free 12-Week Ultimate Marketing Plan Course at [www.UltimateMarketingPlan.com](http://www.UltimateMarketingPlan.com).

---