

# CHANNELS OF PROFIT



**12 Easy Ways  
To Make Millions  
For Yourself and  
Your Business**



***MaryEllen Tribby***

**WORKBOOK**

# **Channels of Profit**

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Millions For Yourself  
and Your Business**

*By MaryEllen Tribby*

## **WORKBOOK**

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Nightingale-Conant Corporation

# **IMPORTANT**

To begin — Please save this workbook to your desktop or in another location.

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## Introduction

### How to Use This Interactive Workbook

How can you get the most out of this interactive workbook? Research has shown that the more ways you interact with learning material, the deeper your learning will be. Nightingale-Conant has created a cutting-edge learning system that involves listening to the audio, reading the ideas in the workbook, and writing your ideas and thoughts down. In fact, this workbook is designed so that you can fill in your answers right inside this document. By the end, you'll have your own personal sales toolkit.

For each session, we recommend the following:

- Preview the section of the workbook that corresponds with the audio session, paying particular attention to the exercises.
- Listen to the audio session at least once.
- Read the text of the workbook
- Complete the exercises right in this workbook.

In addition to the exercises and questions, we've created an "ijournal" to make this an even more interactive experience for you. At the end of each session, you can write down any additional thoughts, ideas, or insights in this ijournal to further personalize the material. Remember, the more you apply this information, the more you'll get out of it.

## CD1: The Three Key Factors to Ignite Explosive Growth in Your Business

*Your success in business has nothing to do with the Internet.  
The Internet is simply a distribution channel. Your success has  
everything to do with the fundamentals you'll learn in this program.*

### The Three Key Factors for Business Growth

#### Factor One: Mindset

Another term for mindset is “mind over matter,” and it contains three simple sections: 1) creating a corporate culture, 2) establishing core values, and 3) implementing ABC business rules.

##### 1) Creating a Corporate Culture

Anyone can create a corporate culture. The secret is to create one in which you and your employees thrive. Very often you walk into companies and you can feel it—feel the people are just barely surviving their day. So right now you need to say to yourself, “Surviving is not good enough; thriving is the only thing I’ll accept.” When you create this culture of thriving, your employees will thrive, your partners will thrive, and your customers will thrive. *You must leave ordinary behind and always think in terms of extraordinary.*

#### The Mission Statement

Many very experienced business people and entrepreneurs make a huge mistake by not crafting a mission statement and explicitly stating their core values. They think it’s too touchy-feely. But they are way off. If you do not understand what your mission is and the values you own, how can you possibly build the right team and meet your goals? You can’t.

#### What Is a Mission Statement?

A mission statement is just a formal, short, written statement of the purpose of your company or organization. The mission statement should guide the actions of the organization, spell out its overall goal, provide a sense of direction, and guide decision making.

### Exercise: Craft Your Mission Statement—Step One

The first step in crafting your mission statement is to ask yourself the following question, “Why does my company exist?” Once you really know the answer, your mission statement will write itself.

Now it’s your turn. Answer the question in the following space:

Why does my company exist?

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### 2) Establishing Core Values

Now, after you’ve answered that question, think about your values. The core values of an organization are those values that form the foundation on which we perform, work, and conduct ourselves.

And in an ever-changing world, core values are constant. Core values are not descriptions of the work we do or the strategies we employ to accomplish our mission. ***Core values underline our work, how we interact with each other, and which strategies we employ to fulfill our mission.*** The core values are the basic elements of how we go about our work. They are practices we use or should be using every day in everything we do.

### Exercise: Craft Your Mission Statement—Step Two

So, the second step in crafting a mission statement is to identify your company’s core values. What are the values your company uses to guide everyday interactions with each other, customers, and suppliers? Write your company’s core values in the following space:

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### 3) Implementing ABC Business Rules

The third and final mind-over-matter element is implementing business rules. They're called the ABC business rules because there are three of them, and they're as easy to implement as ABC.

- A: Proceed with a decision only if it's good for your business.
- B: Proceed with your business decision only if it's good for your customer.
- C: Everyone is a marketer.

*Make sure that every time you hire someone, the person understands your mission, your core values, and the ABC business rules. If you do this, you'll see an immediate improvement in your results.*

### Factor Two: Mastering Direct Response Marketing Fundamentals

Direct response marketing is a form of marketing designed to solicit an immediate response that is specific and quantifiable. Examples of this can be seen in every direct response marketing channel—online newspapers, online newsletters, and online promotions that ask you to “click here.” It can be seen in magazine promotions that ask you to place a “yes” sticker on a postcard to renew your subscription, or in TV ads that ask you to call an 800 number to learn more about the latest vacuum cleaner. All these channels add urgency by stating that if you're among the first 25 to 50 or 100 responses, you will be rewarded with extra bonuses. They all ask customers to take action immediately. They all ask customers to follow specific instructions. Smart companies track and quantify the results.

### Direct Marketing versus Branding

Keep in mind that direct response marketing is not branding. The angles of direct response marketing and branding are entirely different.

- Direct response marketing wants to get the customers to provide information or open his wallet. Branding, on the other hand, wants to get the customer to remember the product.
- Direct response marketing uses a very highly targeted search. With branding, it's a very broad search.
- Direct response marketing gives a direct call to action. Branding does not.
- With direct response marketing, there is explicit interest or intent. In branding, there is no conscious intent.



Direct response marketing is based on ROI, return on investment. Dollar out, dollar in. When you are starting or growing your business, your marketing dollars need to be spent on direct response marketing, not on branding.

*Spend your money on great multichannel-marketing direct response campaigns, and let your brand develop while you make money.*

## **The Elements of a Successful Direct Response Marketing Message**

Every single direct response marketing message should:

- Get the attention of the targeted prospect from the very start
- Create a need for the product
- Show what the product looks like and demonstrate how to use it
- Answer questions as a good salesperson does
- Reassure the buyer
- Provide critical information about the product use
- Inspire confidence
- Minimize risk
- Establish that the company is reputable
- Make the sale by explaining how to buy, how to order, where to call, and how to pay for the purchase

## **Factor Three: Leveraging Multichannel Marketing**

Channels are the manner or form in which you communicate with your customers and prospects or ask them to purchase. So ***multichannel marketing is simply offering customers and prospects more than one way to buy.*** Many think that there are basically two channels, online and off. This is not correct. Those are simply categories. When we talk about online direct response marketing, there are many channels, such as dedicated emails, text ads, banner ads, and co-registration.

***Customers who buy from two channels versus one channel are between 20% and 60% more valuable. Customers who buy from three channels versus one channel are 60% to 125% more valuable. And, multichannel customers buy a wider range of products.***

*Multichannel marketing is leverage at its very best.  
It's like getting paid over and over for work you've already done.*

### Exercise: Multichannel Marketing

Now it's your turn to leverage multichannel marketing. In this exercise, make a list of channels that you regularly use for your business. Put each channel in the appropriate column.

Channel type	Used by itself?	Used as a multichannel campaign?	If so, used in combination with?
Direct email			
Social media			
Search engine marketing			
Print			
Radio			
Television			
Telephone			
Event Marketing			
Public Relations			
Other:			
Other:			

If you have not tested or used many different channels, or if you've left the last two columns blank, don't worry. We're going to identify the core of multichannel marketing, and then later we'll discuss each individual channel and show you how to combine them to get the biggest profits from every marketing campaign.

## iJournal Entry

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## CD2: The Low-Hanging Fruit of Direct Response Marketing Online

### Low-Hanging Fruit: Email Marketing

There's an old saying: Money loves speed. And when it comes to marketing, that could not be more true. Which is why in every marketing campaign, you need to go with your low-hanging fruit. What this means is you start with things that are easy, cheap, effective, and fast. And you should always use email marketing, which is why we'll cover this channel first. Whether you have a plumbing business, a gardening business, or a restaurant, *email marketing is a necessity, not an option.*

More multimillion-dollar businesses have sprung up in the last 10 years than in the 50 years before that because of email marketing.

*Email marketing is the single most powerful marketing channel today.*

Doing business faster, cheaper, and better than your competitors is a fundamental business strategy, and the Internet multiplies its relevancy.

### Four Differences Between Direct Email and Direct Mail

1. **Direct email is much cheaper than direct mail marketing.** The cost of sending an email is virtually nothing, compared with the cost of a first-class stamp, especially when you're mailing hundreds of thousands of pieces at a time. This low cost of delivery means that you can communicate with your customers almost as much as you want through email. Today everyone talks to his or her customers hundreds of times a year. With traditional direct mail, we were limited to sending them perhaps two dozen sales letters a year. The return on investment simply wouldn't justify sending more.

2. You can **monitor in detail customers' reactions to your ad.** You can, for example, find out if they clicked on a link in the email to read the full promotion. You can also see the results immediately.

3. Speed. Email gives you the ability to test your offer, see what's working, and **quickly make changes** to generate more sales. And if a major news event takes place, you can incorporate it into your sales message the same day.

4. AntiSpamming laws mean that you can't send email marketing to a person who hasn't opted in. It's illegal. In the direct mail world, businesses regularly send solicitations to people without first getting their permission. Mailing lists both compiled from public sources and rented from third-party businesses are the primary source of customer acquisition, but in the Internet world, you cannot do that without getting into trouble.

## Major Characteristics of the Internet as a Direct Response Advertising Medium

### Pull versus Push Marketing

There are two ways you can contact prospective customers: You can post an ad on a website, an e-newsletter, blog, or portal page, and wait for the prospect to come to you. Or you can send a promotion directly to your prospect's email address. The first way is sometimes called pull marketing; the latter is called push marketing.

Because you can't send advertising via email to people who have not agreed to let you do so, Internet marketers often give away free products or information in exchange for that permission. This is called **permission marketing**.

### The Direct Email Two-Step

Because of the requirement to get permission before you send advertising to people via email, direct email marketing has become a two-step process. The first step is to **develop a list of people who will accept your advertising**. This list is built through the use of banner ads, insert ads, and so on. The second step is to **send them your direct response promotions**. These are usually longer pieces, similar to direct mail sales letters. It is useful to think of these two functions separately, and even to designate them as separate marketing processes within your company.

Because of the two-step aspect of direct online marketing, short-form advertising copy is now just as important as long-form copy, which has traditionally dominated direct mail marketing.

*To be successful at direct online marketing, a company must be skillful with both push and pull advertising, as well as long- and short-form copy.*

### Similarities Between Direct Email and Direct Mail Advertising

**Banner and pay-per-click ads are like roadside billboards or small newspaper display ads.** You don't have much time to catch the prospect's attention. The advertisement is competing against all sorts of distractions. The trick to making banner and pay-per-click ads work is similar to what is needed for billboards or small display ads. You need a strong hook, something that is almost impossible to overlook. It sometimes helps if it is indirect, surprising, or odd in some way. Remember, you have only seconds to get someone's attention and then have the person take action. So a powerful or controversial headline, leading question, or a strong visual image usually works.

***Insert ads are like the small display ads in the editorial pages of magazines.*** Insert ads are longer than banners but still relatively short, usually 20 to 50 words in length. The secret to writing effective insert ads is to craft provocative, emotionally stimulating propositions.

***Endorsed ads are sent as standalone promotions to lists of qualified customers.*** Because they are sent separately, they are usually long, like direct mail sales letters. The way to make endorsed ads work for you is to treat them the same way as direct mail promotions, which means you'll be giving them a great deal of your time, attention, and creativity.

## **Ten Principles of Direct Email Advertisting**

In no specific order, here are the 10 most important principles that govern direct email marketing.

1. **Copy is king.** There are three components that govern the success of any promotion: the quality of list you mail to, the offer you present to the prospect, and the copy you use. Of these three, the list is the most important. The offer is next, and the copy is third. The right offer with great copy mailed to a bad list will produce zero results. Mediocre copy with a mediocre offer mailed to a great list can still produce good results. That said, ***selecting qualified lists and framing attractive offers is less difficult than crafting great copy.*** That is why in the direct email world copy is king.

2. **Long copy out-pulls short copy.** This principle is highly controversial. Many Internet copy-writers believe that the nature of the Internet, which makes it necessary for prospects to read copy on a screen, favors short copy. Although short copy can sometimes work very well, hundreds of tests prove that with all things being equal, longer copy is usually better.

3. **When it comes to long copy, the lead is 80% of the game.** A typical direct mail or email promotion has three parts: the lead, the body, and the close. The lead is usually less than 20% of the entire letter. But it carries the responsibility of conveying the big idea of the sales message and provoking an appropriate emotion in the reader. If you can do that consistently in your email promotions, you will have a great deal of success.

4. **In creating a lead, stick with the proven six.** There are dozens of ways to begin a long-form sales letter. But in the history of direct mail, six have dominated. These are offer/promise, invitation, problem/solution, secret, story, and prediction. If you can figure out which of these six leads works best for the offer you're making, your chances of success will skyrocket.

5. **All leads range from being very direct to very indirect.** Direct leads are those that are obviously sales pitches. Indirect leads appear to be doing something else. Each approach has its strengths and weaknesses. Effective email marketers use both.

6. **Given two packages with equally strong leads, the one that is well balanced will do better.** A well-balanced promotion has four aspects: an idea, a benefit, credibility, and a track record. We call this secret the Four-Legged Stool. Because if your promotion has all four legs, it will be well balanced and won't topple over.

7. **When composing headlines and bullets, details matter.** Make your headlines and bullets more powerful by focusing on what we like to call the four U's: uniqueness, usefulness, urgency, and ultra-specific.

8. **Every product needs a unique selling proposition—a USP.** Essentially the USP is what makes your product stand out from the competition's and gives your prospects a good reason to buy it from you. Do not ignore this.

9. **Benefits are better than features, and deeper benefits are better than superficial benefits.** For example, don't tell a prospect that the car you're selling has good tires and great air bags. These are features. Instead, describe how because of these features, they'll be able to maneuver easily through rush-hour traffic and avoid accidents with dangerous drivers. If you understand the deeper benefits your project offers, suggest them in the copy.

10. **Write to one person at a time in a language you would use if you were talking to that person face to face.** Now that doesn't mean informal language, but it does mean conversational language.

## Two Kinds of Lists

There are basically two kinds of lists that you can market to—your house list and the outside list.

### House List

Your house list in the e-marketing world comprises names that you have received permission to market to. They can be divided up as follows: hot leads, buyers, multibuyers, and cancels and expires.

***Hot leads are people who have opted in to receive emails from you but have not yet made a purchase.*** They have taken the first step by saying they want information from you. The more valuable the information that you supply them for free, the more they trust you, and the sooner you can turn them into buyers.

***Buyers are people who have opted in and have purchased one product from you.*** Even though they've made their first purchase, you should continue to supply them with valuable free information. The next step is to turn them into multibuyers.

***Multibuyers are people who have opted in and have purchased more than one product from you.*** You should continue to supply these people with free valuable information as well. Your job at this point is to keep these customers and turn them into advocates for you.

***Cancels and expires are former customers who either canceled their subscription or returned their product, or their product or subscription ended and they did not renew.*** Because they did not opt out of your free information list, you should continue to provide them with valuable free information as well as your promotional information. Your job is to get these former buyers to become current buyers.

## Outside Lists

Outside lists are names that you do not yet have permission to market to. However, the people on these lists have agreed to receive third-party advertising. They can be divided up as follows: hot prospects, good prospects, and okay prospects.

**Hot prospects are people who have purchased a similar product from your competitor.**

**Good prospects are people who have purchased a related product from your competitor.**

**Okay prospects are people on a compiled list of names who have something in common or meet certain criteria.** Many people on compiled lists are not buyers.

*Don't make the mistake of using compiled lists  
just because they are less expensive to rent*

## The Endorsed Ad

An endorsed ad is the heart of direct email marketing. It requires a great deal of time and creativity for two main reasons. One, endorsed ads are sent as standalone promotions. This is a key point. **The endorsed ad is the only direct online tactic that does not compete with other ads or editorial copy.**

And two, endorsed ads are the foundation of your entire campaign. If that ad is based on a big idea that is expressed cleanly and concisely, *you can leverage the time and effort you put into it by using pieces of the copy for all of your other tactics and channels.* If your headline is a winner, it can be used as your banner ad or your PPC (pay-per-click) ad. If your lead has performed well, you can turn that into your insert ad or squeeze page (see below).

## Anatomy of an Endorsed Ad

### The Squeeze Page

The squeeze page is the first page to the first page-and-a-half of a complete endorsed ad. The headline and the lead are the most important part of any promotion. You make the beginning so compelling that the prospect is actually willing to give you his or her email address for the privilege of reading the rest of the promotion. The end of the promotion will ask for the sale.

*The primary purpose of a squeeze page is name collection.  
The secondary purpose of a squeeze page is to upsell  
(conversion to a sale).*



## The Banner Ad

Banner ads come in various sizes. Popular sizes, noted in pixels, include 300 x 250, 468 x 60, 728 x 90, 120 x 600, 125 x 125, 120 x 60, and 120 x 240. The ad can be flat or animated or flash.

Please note that the placement and audience you're targeting will determine the primary purpose of the banner ad. If the banner ad is running on your own site, your primary goal would be for sales conversion. If your banner ad is running on a third-party website, blog, or banner ad network, your prospects may not be familiar with your company, publication, product, or service. In that case, you would want to focus on name collection and then upsell the prospects later on with a series of targeted conversion emails.

*The primary purpose of a banner ad is for an upsell (conversion to a sale). The secondary purpose is name collection.*

## E-News Sponsorship Ad

The e-news sponsorship ad is placed in an e-newsletter or an e-zine. The placement is in the top, middle, or bottom position and can be in text or HTML format. You can buy space or approach others for swaps.

*The primary purpose of an e-news sponsorship is to upsell. The secondary purpose is to build a hot list and generate leads.*

## The Co-Registration Ad

With co-registration, your ad goes on someone else's website, generally after a transaction on that website such as a newsletter sign-up or an order. Your ad is usually limited to 200 characters, and you typically get to put a small graphic image next to your ad.

*The primary goal of co-registration is name collection. The secondary goal is revenue sales.*

## Online Polls

An online poll redirects your prospects to a name collection source, or a squeeze page. The answers that your prospects give you to your poll question also give you a way to qualify them. The very interested may be redirected to your landing page for sales, whereas the somewhat interested may just be a thank-you page. Both types of prospects, however, should receive a free incentive such as a report for their time. It's also important to mention your privacy policy when you're doing an online poll. Prospects want to make sure their email address is safe with you.

*The primary goal of an online poll is to collect names  
as well as to engage your prospects.  
The secondary goal is to upsell.*

## The Pay-Per-Click Ad

The pay-per-click (PPC) ad, or display ad, is an online advertising tactic in which payment is based on how often Internet users click on your link. Please note, any name collected with PPC ads should be added to your sales cycle with targeted conversion efforts over a number of months. Typically, conversion rates for a cold prospect can vary from 30 to 60 to 90 days.

With PPC ads, you have limited space. The typical ad has about 15 words or 123 characters, so you want to take your strongest headline and call it an action statement and use that. Your success in this platform will also be based on the key words and the key word strings you selected.

*The primary goal of a PPC ad is name collection.  
The secondary goal is sales conversion.*

## Exercise: Leverage Your Ads

In this exercise, you'll apply the concepts you learned in this session. Take your most successful endorsed ad and see if you can create the following from it:

Two banner ads:

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Two PPC ads:

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Two insert ads:

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Two poll questions.

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## iJournal Entry

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## CD3: The Power, Impact, and Profit of Social Media

Social media marketing has changed the nature of promotion and publicity for small-time entrepreneurs and want-to-be celebrities. Anybody who has the time to devote to this marketing channel can become a recognized author, movie director, pop singer, artist, or expert on any subject. You still need to be good at what you do, but you no longer need luck or money to get the word out about yourself or your business to the rest of the world.

*Anybody who has the time to devote to social media marketing  
can become a recognized author, movie director,  
pop singer, artist, or expert on any subject.*

### Forms of Social Media

**Internet forum/Message board:** This is an online community that allows users to post messages and content and have “discussions.” Facebook and Twitter are two examples of this. When you leave a message on a user profile on one of these sites, it’s called “posting.” They give ordinary people a zero-cost way of getting their message out to the world and claiming their stake of celebrity.

**Blog:** This is an online journal or diary, updated regularly. It can be maintained by one or more people and is usually devoted to a topic of interest. A blog can include text, pictures, video, and links to other websites. When blogs are very good, they can become popular very fast. When they are mediocre, they are unlikely to attract any attention at all.

**Videolog (“vlog”):** This is a blog consisting of embedded videos or links to videos.

**Wiki/Group creation:** This is a website that is created and modified by a community of users who generate its content. Wikipedia is an example of this.

**Podcast:** This is a syndicated digital file (can be video or audio) that can be downloaded onto a personal computer or portable MP3 Player. iTunes is a popular portal for podcasts. So is Blogtalkradio.com.

**Photo Sharing:** This is an online database of photos that can be viewed or even used by others—sometimes for a fee.

To take full advantage of the potential social media advertising, you can do two things. You can create out-bound campaigns to blogs and forums, and you can start with your own blog. You can stimulate conversation on social media sites about you, your business, and your products by publishing special reports or conveying news or sending out targeted surveys or questionnaires. But to ensure that the buzz is positive, you have to promote yourself gradually, organically, by developing genuine relationships with social media sites that you target.

## Exercise: Social Media

What social media marketing techniques are you using?

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Which of the above ideas are appealing to you?

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## Don't Ignore Your Own Customers

If you have an active business, in all likelihood you have a customer service site or user network that you can go to. To ignore your own customers on your own site is an unforgivable mistake in today's interconnected world. You must always be answering your customers' questions, responding to their complaints, explaining problems and opportunities, announcing new products and services, listing upcoming events, reminding customers of upcoming deadlines, and so on.

**Every business should have at the very least an active Internet customer-based forum.** A forum is a site where your customers and potential customers talk about you, your business, and your products. In the 20<sup>th</sup> century, business owners liked to control what was said about them and their companies. In the 21<sup>st</sup> century, that is no longer possible. Smart business leaders have realized that, rather than controlling the conversation, they are better off participating in the conversation. Customer forums give you an excellent opportunity to find out what your customers are thinking and feeling.

*The customer forum has made customer surveys and focus groups obsolete.*

Forums will tell you what you're doing right and what you're doing wrong. They will give you clues about what your customers need and want and what other products they're buying. Why pay tens of thousands of dollars for outside marketing companies to conduct a customer service or run a focus group? You can learn loads more about what's really important by spending just a few hours on a forum.

## The Advantages and Disadvantages of Social Media

### Advantages

The first and most notable advantage of social media advertising is its ***low cost***. Once your site is built and running, it costs very little to get your customers and prospects to go to it. They will do it on their own almost every time you put an advertisement in front of them. And every time, they consider buying one of your products. If you have established email contact with your customers, stimulating them to use social media sites will cost you nothing more than the expense of composing the message. Expensive list or space fees do not apply.

The next thing that should be said about social media is its ***wide reach***. When a social message catches fire, it can travel around the world to millions of people in a matter of weeks or even days. The main reason for this is the Internet. But other media are often involved, too. It is not unusual for a hot Internet message or video to be picked up by radio, television, magazines, or newspapers. Sometimes all of these media jump on the subject at one time.

Using social media is also a superb way to ***gather information about your customers***, their wants, and their desires and ***to deal with any business problems*** you may be encountering. Using social media is the most effective way to ***establish, defend, and boost your company's credibility***.

### Disadvantages

Social media advertising has so many potential benefits, but there are drawbacks, too. Of all the advertising channels, social marketing is the one that offers the ***longest odds of success***. For every Gary V. and Tim Ferris who was successful with their social campaigns, there are hundreds if not thousands of people whose efforts were fruitless.

The reason social marketing is so difficult is because of the channel itself. It is big and it is powerful. But it is not controllable by the marketer. In some cases, ***it can backfire by turning into negative publicity***. This is especially true if you try to use social media dishonestly. If you misrepresent yourself online, you will most likely get caught and suffer the consequences. The online world will quickly turn against you with a wave of very bad buzz across cyberspace. This will result in lost sales, public outrage, and more.

*Honesty is a key asset with social media.  
Not only because of its consequences if you get caught  
by faking it, but because of the creative strengths you  
enjoy when you figure out how to promote the core values and  
qualities of your company and products through this channel.*

## **The Principles of Social Media Advertising**

**The message is for the medium.** When creating an event, writing a press release, or crafting a video for viral marketing, think about what people are interested in, not what you want to show them. Nobody in the major social media is likely to be interested in a new product you create or a new development in your company. But if you can reposition your news so that it will be interesting to the greater public, you have a good chance of getting coverage. The trick to writing good press releases and informational videos is to study the media beforehand. Figure out what types of stories and videos they like to run and tailor your piece to match.

**Authenticity is everything.** When developing a new story or event, be aggressive in your conception. Big stories are generally better than small ones. Crazy events are more interesting than sane ones. Odd or funny videos get more play than conventional ones. But when thinking, be calculating, study the media's preferences, determine what kind of odd, crazy, or funny message they like to feature.

**Respect the priorities.** Records are more interesting than lists. Lists are more interesting than facts. Social media love records. Even world records for obscure and silly things. Next to world records, social media love lists, especially top-10 lists, forecasts, trends, favorite picks, and so on. The best movies of the year, the best albums of the year, you know, the best electronic gadget, the best travel destinations are examples of lists that are popular in social media. People have strong opinions about these subjects. And such lists can generate a lot of discussion among those who disagree with the ratings.

**Give them something to talk about.** Everyone likes a scandal or controversy. If you can figure out how to sex up your message, try it.

**Keep it simple.** When announcing your news, express it in the simplest possible language. Simple language gives you two big advantages: First, it is easy to comprehend, and second, it is easier for people to remember and repeat.

**Make it brief.** The core concept of the message, the part you want people to remember, should be short enough to print on the subject line of an email or in the headline of a magazine article.



### **Exercise: Become More Social**

In the following space, brainstorm some social media marketing ideas. Think of a top-10 list or a way to make your product or service fun and interesting. Experiment with explaining your core concept in a brief headline.

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## Search Engine Marketing

Most businesses realize that the key to having a profitable website is search engine marketing. Search engine marketing (SEM) is a very efficient form of marketing. It allows you to get your website in front of the right people at the right moment when they're looking for it.

The way this is done is relatively simple. The marketer pays to have his or her advertisement placed in front of users when they are online searching for specific information. By getting your site to the top of the results page on one of the major search engines, you can count on targeted traffic that is looking for what you have to offer. And that means a higher chance that this traffic will sign up for your e-newsletter, buy your products, and keep coming back for more.

SEM is something that every online business person needs to get involved in. For one thing, you can do a lot of it for free. But the main reason SEM is so great is that it helps you find your ideal customer. Instead of attracting a crowd of web surfers who may or may not care about what you have to offer, you're reaching out to people who are already interested. Even better, you're reaching out to them at the same time as they're looking for you.

## Three Kinds of Websites

Before you get started with search engine marketing, you need to decide on the purpose of your website. So let's talk about the website that's right for you. There are basically three kinds of websites. The **information site**, which is there to provide information about a product or company, establishes credibility for it, and establishes a presence on the World Wide Web; the **direct response marketing site** to stimulate sales through direct marketing; and the **list-building site** to develop a list of prospective buyers. Each of these reasons is valid. Each dictates a different sort of website.

The information site must be comprehensive, informative, beneficial, and easy to navigate. It should be rich in useful, free content. Three examples of an information website are CNN.com, RealSimple.com, and Slate.com. These sites offer articles, photos, videos, and advice.

The direct response-driven site, a website built for direct marketing purposes, must have all the most important elements of direct response marketing, a call to action, a strong defined look and message unique to the company, free content, and a prominent email sign-up box. It should also be constructed to gain high rankings on search engines like Google. WorkingMomsOnly.com and EarlytoRise.com are two direct response websites. You can see an email sign-up field on each page of both sites. On the home page of each site you'll also see a strong call to action recommending that visitors sign up for a free newsletter and special report.

The list-building site, a website built for the purpose of developing a list of prospective buyers, must be engaging, interactive, ever-changing, and easy to subscribe to. A free bonus such as an e-report or an e-book should be provided to those who sign up. You can see examples of list-building sites at Bly.com or RobertWringer.com. Both of their home pages have copy directing you to sign up for their e-letters. In return, you'll get a free bonus.

Each type of website is different. Each requires different copy, graphics, and technology. All sites should load quickly, which means no crazy animation, and be accessible to people with older computers and slower Internet connections.

*All sites should have plenty of free useful content.*

### Three Key Techniques or Operations

Once you decide on the goal you have for your website, you can start marketing it to the Internet's various search engines. Search engine marketing includes three key techniques or operations.

1. Organic search
2. Paid search
3. Syndication or RSS.

Let's review each of these and see how you can apply them to your business and your multichannel marketing campaigns.

### Organic Search: SEO

Search engine optimization, SEO, can help you maximize the visibility of your website by making its listings appear more frequently and more prominently in organic (which is also called natural or pure) search results. Some businesses base their SEO strategies on successful insertions of their website listings into organic search results for various popular key words. Many people do not use search engine optimization to its fullest potential, perhaps because it sounds daunting. The results, however, show that it is quite simple and an effective process.

Like many forms of online advertising, SEO doesn't cost a whole lot. You pay an expert to optimize your site, but you don't pay the search engines a dime. That's because SEO deals with organic search results.

*SEO marketing generally produces very qualified prospects, greater click-through rates, and higher-yielding customers.*

### The Advantages of Organic Search

**Superior Click-Throughs:** More people give organic listings more credit than paid-for advertising. Thus organic listings tend to get more productive responses. If you can get your website to the top of the organic results, you have a good chance of attracting new potential customers. According to a study by Jupiter

Research, 80% of Web users get information from organic search results. While search engines are supported by paid ads, many customers prefer the organic search results.

**Branding Power:** In the beginning, we talked about how the Internet is providing brand marketers with an opportunity to take advantage of direct response marketing. The same is true for Search Engine Marketing. Inserting your brand in the top search results can convey the impression that your company is important. That is why many new and smaller companies have begun to use search engine optimization to promote their brands. Sometimes they can secure better positioning than bigger, better financed industry rivals.

**Higher level of trust equals higher conversions:** When prospective customers see a paid ad posted on top of a key word search result, they view it with a healthy degree of skepticism. Organic results are usually viewed as being more genuine.

**Organic is free:** After all these years, it's still free to submit to Google, the most popular of the organic search sites. Most other organic search engines will also index you free, although some like Yahoo! do have paid options. Usually when you have a list of advantages, a list of disadvantages is right behind it. Not in this case.

### Exercise: Three SEO Tactics to Employ Right Now

Tactic #1: Keywords, relevance, and search results

Keywords and keyword phrases are critical to getting your site to the top of the organic search results. To make those keywords easy for the search engines to recognize, you need to define them as keywords in your HTML tags.

The following are critical tagging components of a website.

**Meta tags:** these are bits of HTML code that webmasters or search engine specialists use to describe content on a webpage. These codes are invisible to the human visitors but are easy for search engine spiders to read.

**Title tags:** are similar to meta tags but are more effective. The title tag is the first thing the search engine spiders look at when they crawl your site. Optimizing your title tags is a powerful way of increasing page ranking. **Your title tags should be relevant and specific and should contain the keyword phrase you are targeting.** The contents of your title tag appear across the top of your browser window.

Visit each page on your website and look at the blue bar at the top of your browser. If the text in your blue bar is the same on every page, you've got some work to do. **You want to make sure that each page on your site has unique keyword-rich text in the title that accurately describes what the page is about.**

**Alt tags:** Alt text is a description of your website's graphics or pictures. Alt text should be a complete sentence—one that is relevant, specific, and keyword rich. Spiders calculate the number of times your keywords appear within the tags and content, which boost organic rankings. So it's important to tag images as well as content.

**Header tags:** HTML header tags are used to define your pages' optimizational structure. Using header tags informs both site visitors and search engines what the important elements of your pages are. H1, H2, and H3 tags should be used appropriately throughout your website.

**Anchor text:** The use of anchor text is a bit more involved and takes some more work, but it's well worth it. What is anchor text? Anchor text is that visible, clickable text in a hyperlink. Let's say you want to link one article on your site about the Internet marketing to other articles on your site about Internet marketing. Search through your article for a keyword or keyword phrases that match the content of the article you are linking to. You might choose the phrase "increase online sales," and then you hyperlink that phrase to the relevant article on your site.

As the search engine spiders crawl your site, they are looking for a) text they can use to determine what your page is about and b) links they can use to access other pages on your site. *Using anchor text links to connect similar pages of content through a particular keyword gives more weight to that keyword and tells search engines that your site is a relevant resource for that search term.* The more relevant the search engines think your site is for your targeted keyword, the more likely it is that your site will turn up at or near the top of the search result pages.

The mistake that many website owners make is to link their content strictly by using call-to-action links like "click here" or "read more." While it's important to use calls to action in your ads and when trying to generate sales or sign-ups, it's also important to remember that no one ever searches for the latest "click here" product or service.

*No one ever does a Google search for "click here."*

**Keyword density:** Within your body text should be content that contains relevant keyword phrases because spiders typically crawl a page from top to bottom. *Your keywords should appear most often in the same order.* Headlines, subheads, and then paragraphs. It's also helpful to bold, italicize, or bullet your keywords for greater emphasis for the reader. Content should not be the same keywords used over and over again or hidden in code. This is known as keyword stuffing and is the equivalent of spamming. Search engines frown upon it. Instead, keywords should be repurposed and rephrased in logical sentences.

In the following space, write down some of your keywords and key phrases. What are some meta tags, title tags, alt tags, and header tags you can use? Are there areas where you can put anchor text links? Write them here:

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Tactic #2: The links that make the difference.

Another tactic to help improve your organic ranking is link building or back linking. Link building refers to the practice of ***acquiring links to your website from other relevant websites around the Internet***. This builds your link popularity. Links to your site from other relevant sites act as endorsements in the eyes of the search engines. They help validate your website content, leading to high rankings and increased Web traffic. Therefore, in addition to having optimized website pages, having a variety of news aggregators, social networks, forums, blogs, and directories linking to your site helps give your site more weight when it comes to organic listing.

The key in external links is ***relevancy***. You can easily get hundreds, even thousands of links to your site through a link farm. But such a strategy will get you in trouble with search engines that disapprove of such techniques because they push irrelevant links to your site. This can have an adverse effect on organic listing.

The best link-building practice is to acquire links from and links to your own neighborhood, a group of related contemporary or like-minded sites on the Internet. Each link to other relevant sites, niche directories, respected organizations, and well-known bloggers in your field are all examples of good links that will associate your site with good link neighborhoods.

***You should always submit your site to staple directories such as Dmoz.org and Dir.yahoo.com.***

### **Exercise: It's a Beautiful Day in the Neighborhood**

What are the websites in your “link neighborhood”? That is, in the following space, list any related, complementary, or like-minded websites that you could link with.

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Tactic #3: Don't wait for the search engines to come to you.

Search engine spiders may eventually pick up a web page on their own, but it's always a *good idea for your search engine marketing specialist or web master to manually submit your website to all major search engines.*

The top four search engines are:

- **Google.com**
- **Search.Yahoo.com**
- **Search.msn.com**
- **Bing.com**

## **Pay Per Click**

Pay-per-click advertising, also known as PPC, is an advertising model used on search engines, banner and display advertising networks, and content websites' blogs. In this type of advertising, advertisers pay only when a user clicks on an ad to visit the advertiser's website. This is different from the cost per thousand, or CPM, model, in which advertisers pay per impressions served.

Here's how you can take full advantage of PPC advertising. You would bid on a keyword or keyword strings that you predict your target market will use as search terms when they're looking for a product or service. When a user types a keyword query matching your keyword list, your ad may show up. These ads are called sponsored links or sponsored ads. They appear next to or above the organic results on search engine result pages or anywhere a web master blogger chooses on a content page.

For most major search engines, how high your ad is placed on the search engine results page is determined by several variables. The most important consideration is usually how much you bid for it. Other considerations include your daily budget, the popularity of your ad, and the relevance of the landing page your ad goes to. Google AdWords, the PPC service hosted by Google, ranks your PPC ad based on what is called a quality score. As determined by Google, quality score is a dynamic variable assigned to each of your keywords. It's calculated using a variety of factors, and it measures how relevant your keyword is to your ad text and to the users' search query.

PPC ads also appear on content network websites. Here's how it works. Ad networks such as Google AdSense sends ad words to websites, blogs, and web pages that agree to host ads relevant to their own content. They get paid whenever someone clicks on those ads. Google AdWords, Yahoo, and Microsoft are currently the largest PPC network operators. The minimum price per click can be as little as one penny, but popular search terms cost much more. You decide how much you're willing to pay each time a person clicks on your ad. The more you're willing to pay per click, the higher your site will appear in the result for the keywords you choose.

*With PPC, you must test, test, and test some more.  
This is where many marketers go wrong.*

## The Benefits of PPC

**Speed and testability:** If you want to incorporate it into your marketing mix, you can set up a Google AdWords account in five minutes. You don't have to wait three months for a yellow page to come out, plus you can start seeing results immediately. And best of all, if your ad isn't working, you can replace it with something else. Pay-per-click allows you to test ads quickly and easily at a much lower cost than you could in the old days of yellow page advertising.

**Targeted Marketing:** Another benefit of PPC is that you can narrow its reach. You can show your ad to everyone on the Internet or you can target to specific countries, regions, states, cities, even zip codes. You can change your copy any time you choose. And through multi-variant testing, you can put as many versions of your ad on the Internet as you want. You don't need to start off with a major investment. Start with a minimum. See how this search engine performs in terms of traffic it delivers and how well that traffic converts into paying customers. Then alter your marketing tactics accordingly.

**Trackability:** Pay-per-click advertising is also entirely trackable. This allows you to track your return on the money you invest. If you do not track your results, you're not only wasting your money, you're missing out on valuable data that will allow you to expand your marketing campaigns and grow your business.

### Exercise: Choosing a Search Engine for PPC

In this exercise, you're going to do a little research. Choose a search engine that you might want to use for your PPC campaign. It can be Google or Bing or one of the smaller search engines. Choose one, and then before spending any money with pay-per-click search engines, be sure you can answer the following questions.

How many searches a month are performed on the search engine?

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What major search partners or affiliates does the search engine have?

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How many searchers are generated each month by search parties or affiliates?

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Is it possible to opt out of having your listing appear in the results of the affiliate sites?

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What fraud-prevention mechanisms are in place?

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What is the procedure for filing a fraudulent clicks report?

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Will an account be credited for fraudulent clicks?

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Is it possible to opt out of having a listing appear for searches originating from specific countries?

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Is there a good posted term of services for search parties or affiliates?

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***Look for search engines that have very strict guidelines for dealing with their search affiliates. This is important because you want to be sure the search engine is working hard to prevent fraud among its affiliates.***

### **Really Simple Syndication/Rich Site Summary**

What is RSS? Some people call it really simple syndication, while others call it rich site summary. RSS is a format for syndicating news and content on news-like sites, including major news sites, news-oriented community sites, and personal blogs.

RSS automatically notifies Internet users when, for example, their favorite blog has a new entry or when the content on a favorite site has been updated.

An RSS is not just for news, newshounds, and bloggers. Once information about each item is in an RSS format, an RSS-aware program can check the feed for changes and react to the changes in the appropriate way. RSS-aware programs called news aggregators are popular in the blogging community. A news aggregator can help a Web user keep up with all his or her favorite blogs. The aggregator checks his or her RSS feed and displays new items from each of them.

RSS solves a problem for people who regularly use the Web. It allows users to easily stay informed by retrieving the latest content from the sites they are interested in. They save time by not needing to visit each site individually. It ensures privacy by not needing to subscribe to each site's e-newsletter. Like SEO, RSS is valuable both to the user and to the online business.

With RSS you can inform the entire Internet, including sites with content similar or related to yours, that you're posting a new article. You just register the address of your RSS feed with a service like FeedBurner, and then your content will be automatically distributed for free to content syndication services all over the Web.

*When you submit your article to RSS, be sure to include your website's URL. That way people who read your article and want to learn more can easily visit your site.*

## The Advantages of RSS

One major advantage of RSS is it allows you to ***share your content in relevant ways***. RSS will syndicate your content to similar sites. Your article will be syndicated to sites where the topic is relevant.

By adding RSS to your marketing efforts, you can put your name and ideas in front of potential customers automatically. And you can reach a market that is increasingly overlooked.

One of the benefits of RSS is ***it allows readers to pick and choose exactly what content they want to read***. And by offering your content via RSS, you're proving that you care about their privacy. You're not a spammer trying to force ads and articles on them without their permission. And since your readers must sign up to get your RSS feed, you know right away that they are interested.

Besides giving your readers another way to access your content, ***RSS can help improve your search engine rankings***. It doesn't matter whether people actually subscribe to your RSS content using RSS reader software. It can still benefit your position with the search engines.

Once you start optimizing your site for organic search using pay-per-click advertising and spreading your content around the web with RSS, you'll start to see more traffic and more customers. This means more money for your bottom line.

## iJournal Entry

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## CD4: Your Business in Your Pocket – Your Phone

This session is all about producing moneymaking teleconferences.

By giving your customers a first-class educational experience with teleconferences, you create goodwill that can be monetized simply and smoothly by offering them buying opportunities during or after the information-giving session.

Teleconferencing today is sophisticated, but it's not complicated. The principles are easy to understand, and the technology is readily available. You could establish a teleconferencing channel for your business in a matter of weeks. You can do it all for a few thousand dollars, not millions. We couldn't have made this claim 10 years ago, or even five years ago. This is a channel that's new, it's exciting, it's brimming with potential, and it's growing fast.

### The Principles of Successful Teleconferencing Programs

Successful teleconferencing programs follow the same basic pattern.

- You develop a teleconference program that provides some genuine value to your customers or potential customers.
- The program is usually informational and motivational.
- Using standard direct response marketing techniques, you advertise the teleconference. You can give it away free, or you can sell it at a modest fee. The choice is dictated by the kind of customers you're looking for (and the type and price of the product you intend to sell throughout the program).
- Following one of the established protocols, you put on the teleconference at a given time, recording everything for future reproduction.
- Before, during, and after informational presentations, you ask the teleconference attendees to indicate whether they would buy a particular product if it provided them with the solution to all their problems. You record those positive answers.
- Taking advantage of such "commitments," you sell the product, giving attendees bonuses and discounts for responding to the offer immediately.
- You follow up closely with all those who responded to the offer. You continue to promote to those who didn't yet respond until your efforts are no longer profitable.

## Reciprocity and Consistency

Successful teleconferencing of this type relies on two very fundamental psychological principles: reciprocity and consistency.

**Reciprocity:** The rule of reciprocity says that we should try to repay in kind what another person has provided for us. By virtue of the rule of reciprocity, then we are obligated to the future repayment of favors, gifts, invitations, and the like.

**Consistency:** Our nearly obsessive desire to be, and appear to be, consistent with what we have already done. Once we have made a choice or taken a stand, we will encounter personal and interpersonal pressures to behave consistently with that commitment. Those pressures will cause us to respond in ways that justify our earlier decision.

*The principles of reciprocity and consistency really work.*

### Three Points to Consider

When considering adding a teleconferencing channel to your existing marketing program, consider the following three main points: product development, premium/free bonus, added value.

**Product Development:** Every teleconference you host gives you the opportunity to expand. Your teleconference attendees will ask questions. You'll have answers. Those answers will lead to new ideas, which will lead to more questions, and you can turn that exchange of ideas and information into new product.

Coming up with product-worthy content should always be one of your goals going into a call, but there are a couple ways to support your decision.

A – Make sure your teleconference offers useful content. If the call did not have useful content, any product you form out of it is likely not to be useful, and if your product isn't useful, you will have very disappointing sales. The better the content, the better the sales.

B – Send out a survey immediately after the call. Ask your customers what they liked and what they did not like. Because you can edit your call, you can take the best, the most liked parts of the call and add other components, such as a workbook or DVDs that you may have in stock that are related to the content you just developed. Suddenly, you have a \$250-\$500 product to sell.

**Premium/Free Bonus:** Teleconferences can become premiums and free bonuses. Sometimes, you may not have the resources to turn your conference recording into a separate product. Sometimes, the content simply does not warrant a product, either because it's time sensitive, or it's related to an upcoming conference product launch. In this case, you can offer the unedited recordings of the call as a free add-on to another related product.

**Added Value:** Different people respond to different channels. That is the idea behind what we call mini teleconferences. This type of teleseminar call is strictly for added-value purpose.

Many teleconferences are simply prerecorded messages. You have to remember to be consistent. ***Keep the message and the tone of the mini teleconference the same as the message and the tone of your product.*** If you're not consistent, your customers will feel confused or, worse, misled. If they get the wrong message upfront, they may not even bother to use your product. That is the purpose of the mini teleconference in a nutshell. You want people not only to buy your product, you want them to use it.

***Teleconferencing is one of the fastest, easiest, and cheapest ways for you to communicate with your customers***

### **Exercise: Tell a Teleconference**

In the following space, brainstorm some ideas that you could use as a teleconference. Could you then develop it into a product?

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## The Fundamentals of Telemarketing

As with other channels of marketing, there are some fundamental principles that apply to telemarketing.

Telemarketing to existing customers is usually the best way to initiate a telemarketing campaign. When you are calling people who already know you and are familiar with your products, you have good reason to expect they will take your call and listen to your pitch, even if they aren't accustomed to buying over the phone.

When conducting back-end telemarketing, it is usually a good idea to contact your customers beforehand, preferably by Internet communication. It's free and you can let them know that you intend to call them and give them some good news. ***Such alerts should make it very clear that these calls will be beneficial to them and risk free.***

***Telemarketing calls to existing customers  
can be a form of customer service.***

It's very important to establish trust in the first minute of the telemarketing call. That is best done by documenting the relationship, letting the customers know that they are not getting a cold call from a salesman, but rather ***a service call from somebody they do know or should know.***

Follow this by ***asking some questions about the customer satisfaction and/or knowledge of prior service.*** This is a good way to reduce the buyer resistance and establish a rapport that will be critical to the sales pitch itself.

***Urgency is the key component of successful telemarketing promotions.*** The customer needs to know why he or she is being called rather than contacted in some other way. An urgent update or opportunity, one that is time dated and important, is a common and effective way to do that. Not all products can be sold effectively on the telephone. They must provide benefits that are easy to explain quickly before the prospect runs out of patience.

The offer—what the customer is being sold, the price, the premiums, the reason for the urgency, and the guarantee—are all critical elements of the sales pitch. Getting this right is usually a matter of intuition and experimentation.

***The most important element of creating a successful  
telemarketing operation is integrity.***

Businesses that operate with the customer's well-being in mind will have the greatest and most lasting success with telemarketing. If you commit to developing a program with integrity as your paramount interest, you will have no problem adding this lucrative and customer-friendly channel of marketing to your business.

## Deciding Whether to Go Inbound or Outbound

Telemarketing is split into outbound—where your marketers call customers—and inbound—where prospects call your company to buy products, ask questions about their purchases, or seek information.

You can choose to do one or the other or a mix of both. It really depends on your company and your products. If you are not planning to keep your telemarketing operation in-house, then you have to outsource. Whether you will go the outbound or inbound route is a question that you have to answer before you start researching companies to hire. Here are some other things to consider:

- ✓ You must also decide if your telemarketing efforts will include front-end or back-end selling, cold calling, lead generation, surveys, or order confirmation.
- ✓ You should also figure out how much preparation you can do on your own.
- ✓ Can you write the scripts?
- ✓ Do you have your own policies and procedures sorted out?
- ✓ And before you hire anybody, you have to determine how many customers you intend to reach with your telemarketing effort and how you will measure the success of your campaign.

Your telemarketing campaign, even if it is being managed by an outside company, should fit with your company's mission and goals. If you stay within those bounds of what your company's about, you'll be fine.

## How to Choose a Telemarketing Company

Ask your friends in business who they're using and what they've heard about certain companies, for those sources have the inside track.

Each company on the list should be reputable and experienced in telemarketing, of course, but they should also be experienced in working with companies in your industry.

Then get on the phone with each one. Tell them what you need and ask them what they charge and what services they can provide to meet your requirements. This first call is a great place to get a feel for the company and the people.

You want to make sure they know that, as your telemarketing provider, they will be a major connection between you and your customers. ***You have to be able to trust them not to jeopardize that relationship.***



Obviously, you won't know everything there is to know about a company from one phone call, but this first contact should allow you to cut companies you suspect won't work from your list. You should have about three to four possibilities at this point. ***Ask each for a written proposal and quote.***

Price should not be the only reason you choose one company over another, but it is important. You, of course, need to look at the services they provide and whether they meet your needs. You also need to know how they report the results of a campaign. Can they give you the data that fit into your company's system? And don't be afraid to ask for references from past and current clients.

Different companies will charge you in different ways. Most will charge an initial cost for setup and then by the hour for regular telemarketing work, for which they will be contracted. But you will find that some companies ask for a lower hourly rate in exchange for commissions. In some cases, that kind of arrangement can boost sales and productivity.

Arrange an on-site meeting. ***Before you make a final decision, you absolutely must visit the potential telemarketing customer.*** You do this to make sure everyone is aboveboard. Are the representatives professional and able to do the job? Are the managers good leaders? Are the employees at all levels hardworking and committed to making your company's telemarketing campaigns a success?

Now, once you've hired your telemarketing provider, the real work begins. Both companies must collaborate to set up the campaign. At this stage, make sure that your company's vision is carried through in all aspects of the campaign. They have the technical knowledge, but ***your company is the boss.*** They work for you, so they should be willing to make changes based on your input and concerns.

But it's also important to make them feel that they are a part of your team, not hired help. Let them know that you are not there to find fault with them, but rather to help them serve your customers better.

Listen in on calls during the first few days of the campaign so that any problems can be addressed immediately. You will be constantly monitoring your telemarketing campaign throughout its lifetime.

## **The Top 10 Telemarketing Mistakes**

### **1. Not figuring out what telemarketing to do for your company before you get started.**

Telemarketing is a great form of direct marketing. It has a track record of success, and it can be easily coordinated with other marketing channels. As a result, many companies rush in and set up telemarketing efforts without first figuring out what they want to get out of it. But just as you would with direct mail or direct email campaigns, you have to figure out your required ROI and what sales numbers you need to reach that ROI. You need this information before you start testing telemarketing as an element of your multichannel approach.

**2. Not realizing the potential of telemarketing.** Telemarketing is not only about cold calling a customer trying to make a sale and saying, "Have a good day," if the prospect says no, they're not interested. Telemarketing can be a great way to harvest a tremendous amount of information. Every call is an opportunity to ask potential customers which marketing channels they prefer to be contacted through, or perhaps, to get their email or home address. All this is useful for future contacts. You can also gather demographic information.

3. **Choosing the cheapest telemarketing company you can find.** Yes, you want to keep your costs down. After all, every expenditure comes off the bottom line, but you don't want to be cheap when it comes to your telemarketing service provider. A cheap rate will probably mean cheap service.

4. **Never letting your reps go off script.** With good training, your telemarketing workers should be able to respond to questions from customers without reading directly off a script. Over time, they will develop their own approach. If it works, let them run with it. Yes, the script is important and should be followed, but a cold reading can turn a customer off.

5. **Picking a telemarketing vendor simply because they are close by.** Your telemarketing company doesn't have to be in your town or state to do a good job. As long as they know your product and are trained carefully, they can be almost anywhere.

6. **Not making an in-person visit before choosing your provider.** A telemarketing company can look great on paper and they can promise you the world, but as with all aspects of business, due diligence is key before hiring anybody. So before you sign with a company, get to know them better by visiting their offices. Check out their staff. Listen in on some of their calls. Figure out if their employees are full-time professionals or just temps zoning out between calls.

7. **Not providing your telemarketing team with the proper information and materials.** From the first day they start working for you, your telemarketing team should know as much as possible about your company, your products, and how you want your telemarketing campaign to work. We're talking very specifics here.

8. **Violating do-not-call laws.** It is illegal to call someone on the do-not-call list. If you call someone on that list, your company can be fined thousands of dollars, depending on the state. It sounds simple, but make it crystal clear to your telemarketing team that this is a no-no. Make sure they have the right process in place to ensure that it does not happen.

9. **Not keeping up with quality control.** Before you start your telemarketing campaign, you must set goals for the campaign, as well as a best practices model to follow, but you can't simply set all this up and leave it at that to maintain quality. You have to constantly monitor your telemarketing efforts. Are your sales being made? Are your leads being recorded and acted on correctly? Also, there is always room for improvement. Your telemarketers should always strive to do better, get more leads, more sales, more happy customers.

10. **Ignoring the back-end.** It's tempting to look at a telemarketing program, see great front-end sales and lead generation results and think everything is going great, but what about refunds? What about customers who don't convert? You have to look deeper at the numbers so that you can see actual results of your telemarketing.

Telemarketing is a very simple form of marketing. It's easy to set up, and before you know it, you can be raking in sales, but it doesn't work for every company and every product out there, so just because it's easy doesn't mean you should do it.

### Exercise: Tele-Research

When thinking about whether telemarketing will fit into your multichannel mix, you have to do your research. Talk to your marketing people. Ask other companies in your industry if it works for them. Read trade publications to learn more about the latest trends and news. Then closely examine whether telemarketing will be an effective component of your multichannel mix. Will your target market respond to offers over the phone? Can your telemarketing campaign work in conjunction with other channels?

Write down your thoughts here:

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## CD5: The King of Marketing – Direct Mail

Direct mail is an unsolicited advertising message sent to a consumer or business through the mail asking for an immediate reply. The purpose of these mailings is customer acquisition. Direct mail comes in various formats, and you've undoubtedly seen many of them in your lifetime.

Here are some of the common forms of direct mail and a little bit about each.

**A tabloid.** This is a mail piece designed to look like a newsstand tabloid. Tabloids are 13 by 10 in size with eye-catching headlines and colors. They offer easy ordering access.

**A catalog.** You've seen catalogs throughout your life. They have eye-catching photos along with the product listings, and they make ordering simple. They come in all sizes and usually have ordering instructions whether via telephone, Web, or business reply envelope.

**A number 10 package.** This is the most common size of envelope used in business. A teaser is often written on the envelope to convince the recipient to open it and read the enclosed letter inside. It's often mailed first class with first-class postage rates.

**An invitation package, also known as a 6x9.** The look and feel of this package is warm and friendly, and it contains a BRE, or business reply envelope, for easy reply purposes.

**The postcard.** Postcards come in different sizes. Most common are single or double-, even triple-fold. And postcards usually contain a soft offer, meaning that the mailer is asking for an immediate reply but not immediate cash.

*What's wonderful about direct response marketing generally and direct mail in particular is that it's the one form of advertising where you can cut your losses and let your winners run.*

### Direct Mail, Step by Step

1. You have a product or service you want to sell. You contact a list broker who recommends a handful of mailing lists that he believes will be responsive to your offer. The broker's recommendations are based on the mailing history of that list—whether they have been responsive for similar product offerings in the past. You then order a sample of each of the recommended lists. Five thousand names are usually the test quantity.

2. You hire a copywriter to write a sales letter. He interviews you about your product, studies the similar product offerings that the broker has access to, and thinks about how to position your product most effectively. He comes up with two distinct ideas. You like them both and ask him to write two letters.

3. You print the quantity of direct mail packages that you need to test. In a typical test of 10 lists of 5,000 names each, you would be printing 50,000 direct mail packages, 25,000 of one sales letter and 25,000 of the other. Each of these is uniquely coded so you can track how each mailing list responds to the different sales letters that you mail.

4. When your orders come in, you can easily determine which of the two sales letters worked better and which of the 10 lists you mailed were most responsive.

5. You then mail the letter that performed better to a significantly larger number of names. The quality of the second rollout mailing is determined by how responsive the rollout lists were. In a typical rollout, the quantity you mail will be two to five times the test quantity. That is, 10,000 names to 50,000 names.

6. When you're sending out the second mailing, you might test another variable. Generally speaking, you always want to be testing something when you mail. The idea is to use the test results to constantly improve the effectiveness of your direct mail package.

7. When the results of your second mailing come in, you analyze them, just as you did the first time, by lists and by split. Based on that analysis, you rollout once again from two to five times the rollout quantity.

Depending on how strongly each list performed, all these rollout decisions are based on statistical possibilities. When done properly, the rollout process is only moderately risky. Most entrepreneurial ventures can be started with an initial marketing budget of less than \$50,000, and because of the predictability of rollouts, a successful direct mail promotion can grow a business rapidly without significant investment risk.

*Like direct print advertising, direct mail advertising is a mixture of art and science. The art is in writing the sales letter that delivers. The science is in tracking responses and using statistical calculations to plan future mailings.*

## **Right Brain/Left Brain**

Writing successful sales letters is a creative process, a matter of figuring out the market and devising a new promotion based on the customers' current concerns.

List testing and analysis by contrast is a left-brain activity, tracking responses accurately and running them through statistical models to determine future mailings.

To be successful in direct mail, an entrepreneur needs to get both sides of the brain working, the creative and the analytical sides.

Developing a direct mail channel for your business will not only add a significant flow of new customers to you, it will also provide you with an infinitely rewarding intellectual business life.

As the business grows, this division is usually formalized. A marketing director takes on the list work, while a creative director focuses on copy.

In either case, the head marketing executive for a direct mail business or department must be someone who is comfortable working with tight deadlines and demanding hard work and attention to detail.

## **The Principles of Direct Mail Marketing**

### **The List Is First**

Finding the right mailing list to mail is far and away the first and most important job of the direct mail marketer. That's because of the importance of list selection in determining a mailing's response rates.

A good list will respond reasonably well to a direct mail promotion, even if the copy is mediocre and the offer is ordinary. A bad list, however, won't be responsive at all, even if both the copy and the offer are terrific.

If you recognize a similarity between this and points we've made before, this is not a coincidence. **Direct print and direct mail are twin sisters.** Whether you select your own list or have a list broker do it, you must be the person who decides what response rates you need to determine which of the selected lists will meet your targets.

Accompanying your printout of list choices should be a data card for each individual list. Data cards contains standardized information on direct mail lists. They tell you, among other things, how that particular list was developed, the number of addresses available, and the rental price. They will also give you information about what companies have mailed that list in the past more than once, which can suggest what type of offers the list responds to.

Other information to look for on a list includes the **purchase channel**. This tells you whether the list is a direct mail sold or compiled. Generally speaking, direct mail sold lists are far more responsive than compiled lists. They tell you the **average unit of sale**. This is very important when selecting your list.

**Universe size.** This is simply how large the list is. A list's universe size is an important consideration in making rollout decisions. If you don't have any other history and if you have two lists that seem equal in every other respect, you should select the list with the larger universe, simply because you have greater rollout potential.

Some smaller lists cannot be subdivided, but larger lists can be. Normally, direct mailers take a random selection from the full list to create a test list. But, with many larger lists, it is also possible to make other selections based on a number of factors.

For example, some lists are selectable by:

- Gender
- Income
- Age
- Homeowners
- College graduates
- State they live in
- Zip code
- Whether they have a home office
- Whether they're actives, expires, or hotlines

To the neophyte, it might seem that the more selections you make, the better, but parsing out a list doesn't necessarily make it more responsive. It might make sense to do a gender select if the product you are selling is for women only, but it is unlikely that selecting by education will affect responsiveness if you're selling foosball machines for example. It could have an effect, but it probably won't.

Also keep in mind that for each select you request, there will be an extra charge. Usually a mailing list will cost between \$75 and \$150 per thousand with a minimum of 5,000 names. Some smaller lists may reduce the minimum, but for every select you add on, be prepared to pay an additional \$5 per thousand.

### Selecting a List for Your Product

If you're putting together a direct mail campaign for a promotion selling high-end lawnmowers, you may think selecting men across the board is a wise decision.

However, if the lists you are selecting are lists of people who have previously bought lawnmowers, then it would be foolish to do a male select, because you would be eliminating the female lawnmower buyers.

***Hot lists are almost always a good select.*** That's because they are based on recency, and recency is usually a reliable determination of responsiveness. Customers who have recently bought pens, for example, are more likely to buy more pens than people who haven't bought pens in a while.

### The Offer

We already said that copy is king and list selection is critical, but what about the offer? Direct mail pundits give so little emphasis to the offer. Yet, it is very important. Here's why. A good offer can easily double response rate. ***A bad or botched offer can easily kill a mailing that otherwise would be profitable.***

So what is an offer? Well, it's the deal you make with your customer and the terms of that deal. The offer is what the customer gets for what he or she gives. It includes the product, the service, all the promises made about the product and service, and the guarantee.

The offer also includes the transactional details, such as how the customer can buy the product. All these details are important, and all of them should be spelled out at the end of the sales letter and in the order device. Failing to spell out these details properly and fully could be a costly mistake.



*Every direct mail package you drop in the mail should contain a strong offer.* The offer should be an incentive or reward that motivates prospects to respond to your mailing, either with an order or with a request for more information.

## **The 10 Test Rule**

To be effective, your offer must pass the 10 test rule.

**Test number one: Is your offer specific?** Will prospects understand exactly what they get and how to get it?

**Test number two: Is your offer exclusive?** Are you making your offer only to a select few, or are you making your offer to everyone?

**Test number three: Is your offer valuable?** Will your prospects perceive your offer to be of value to them? Your offer may be inexpensive for you to make, but it must have a high perceived value to your potential customers.

**Test number four: Is your offer unique?** Is the deal you're offering available only through your business?

**Test number five: Is your offer useful?** Your offer can be exclusive but useless, or unique and useless. Make sure your offer helps your prospects save money, save time, do their jobs better, or something else just as helpful.

**Test number six: Is your offer relevant?** Do prospects even want what you're offering?

**Test number seven: Is your offer plausible?** Some offers are too good to be true, and others are just plain silly. Either way, your offer needs to lend credibility.

**Test number eight: Is your offer easy to acquire?** The harder you make it for your prospects to obtain your offer, the lower your response rates will be. So make your order form clear, simple, and short, your toll free number obvious on the page, and your terms and conditions of purchase concise.

**Test number nine: Is your offer urgent?** Are you clear about the deadline of your offer? Is it an early bird special, or are you limiting it only to the first 250 people who respond?

**Test number 10: Does your offer have a guarantee?** Did you strengthen your offer with a money-back guarantee? Perhaps you can even allow the subscriber to keep all bonuses and/or issues up to that point. Make sure the prospect knows that there is no risk whatsoever.

### Exercise: The 10 Test Rule

Now, look at the offers on your current campaigns, not only for direct mail, but for all channels of marketing. If you're just starting out and do not have any of your own campaigns, look at offers that you've responded to, either in the mail or online. Examine each piece and write down which of the above test rules that offer used.

Offer #1

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Offer #2

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Offer #3

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## Fundamental Rules of Advertising Copy

**Don't proselytize. Preach to the converted.** Direct mail marketing is a form of direct response marketing. One of the tenets of direct response mailing is to target the sales effort to qualified prospects, people who have already demonstrated an interest in buying products and services similar to those you are selling. Most of the time, your advertising will be directed at proven buyers.

**Start with the prospect.** Many beginning direct mail copywriters make the mistake of spending too much ink in touting the product, describing all its features at length and in detail. This is an understandable mistake when writing about a new and exciting product.

But direct mail marketing must keep in mind that the prospect doesn't really care about the product. All he really cares about is himself or herself and how the product may be able to help him or her. Keep that in mind when you write direct mail copy. Ask, what is my best customer thinking about? What's keeping her up at night? What is she dreaming about? Figure out the answers to those questions and your copy will never stray far from the mark.

**The lead is 80% of the sale.** A bare bones direct sales letter will consist of an envelope with teaser copy printed on it and a sales letter and order device inside it. The envelope teaser, the headline above the salutation, and the first several hundred words of copy after the salutation are taken together, considered the "lead" of the sales package. Most of the rest of the letter is considered to be the sales argument. The last few paragraphs of the letter and the order device are considered the close.

In terms of size, number of words, the sales argument and the close constitute about 80% to 90% of the total. However, the lead, at only 10% to 20% of the total, has the greatest impact on the eventual sale. The lead packs the most punch; it is what most prospects read before deciding to either continue reading or to trash the sales package. *If the lead is well written, then the rest of the selling is relatively easy.*

When developing direct mail copy, always focus most of your creative and critical energy on the lead.

*The lead is yours to win. The body is yours to lose.*

Winning over the prospect's heart is a challenging task. He typically has all sorts of other direct mail offers he can look at. Why should he focus on yours? Still, if you ask the right questions about what he is thinking and feeling and then come up with the right answers, there's a good chance that the lead you write will hook your prospect and make him want to read the rest of the sales letter with enthusiasm.

That *enthusiasm makes your job of writing sales letters arguments much easier.* The enthusiastic prospect is willing to overlook minor mistakes and omissions, because she wants to believe that what you are selling her makes sense. But you can blow the sale after a strong lead if you get too sloppy.

**Check the copy with the “four-legged stool test.”** Think of your argument as a four-legged stool. Take one leg away and it will stand, but it won’t be stable. Take two legs away, and it will certainly fall. The four legs of a good sales letter are ***the idea, the benefits, the track record, and credibility.***

**The idea** is the one big unifying concept that pulls the sales argument together, expresses the product’s unique selling proposition.

**The benefits** are the promises you make to the prospects about how the product will help them. The stronger your promise, the higher the response you will get when you mail it.

**The track record** refers to the history of the product and its history of performing as promised. Prospects who don’t know your company or your product will be interested in seeing proof of your claims.

**Credibility** is the fourth and final element of good direct mail writing. Both the product and the manufacturer of the product must be presented as credible to the prospects, otherwise they won’t have the courage to buy.

And make every offer irresistible. Close your sales copy with an irresistible offer, one that is simply too good to refuse. Most copywriters never take the time to think, “How can I make the offer stronger? How can I ratchet up the promise so that everyone who reads this is unable to refuse it?”

### **Exercise: Copy That...**

Now, go back, look at your offers, look at your copy, and look at your list selection to make sure they passed all the tests in the four-legged stool test. Identify what parts of your offer are each of the legs of the stool.

Offer #1 \_\_\_\_\_

The idea:  
\_\_\_\_\_

The benefits:  
\_\_\_\_\_

The track record:  
\_\_\_\_\_

Credibility:  
\_\_\_\_\_

Offer #2 \_\_\_\_\_

The idea:

\_\_\_\_\_

The benefits:

\_\_\_\_\_

The track record:

\_\_\_\_\_

Credibility:

\_\_\_\_\_

Offer #3 \_\_\_\_\_

The idea:

\_\_\_\_\_

The benefits:

\_\_\_\_\_

The track record:

\_\_\_\_\_

Credibility:

\_\_\_\_\_

## iJournal Entry

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## CD6: Be Direct! Using Direct Marketing Print Ads, Television Ads, and Direct Response Radio Advertising

In direct space ads, the entire ad is dedicated toward convincing the customer to take action immediately. There's a phone number or a website so that the prospect can order the product right then.

And because those orders can be tied to a particular ad in a particular publication, the company knows exactly which ad provoked the strongest response and which one didn't. This testing allows the marketer to drop the losing ads and roll out the winners.

*Direct print advertising combines the best of two worlds, the wide reach of general advertising with the qualifying and monetizing characteristics of direct mail.*

### The Advantages of Being Direct

Direct print advertising has many advantages. The cost involved in testing is modest, the likelihood of success is reasonable, and the financial returns can be great.

Developing a viable print channel will benefit your business in two important ways. First, you will ***acquire customers you couldn't get through other media***, and second, you will ***give your brand or product widespread exposure***.

### Direct Print Advertising

Generally, magazine and newspaper publishers price their advertising space according to circulation, size, color, and location. ***Circulation is the most important factor***. A magazine that reaches 3 million people such as *Time* or *People*, is going to charge more for print space than the one that reaches only 400,000 or 40,000.

***Size is the next most important factor***. Bigger ads are more expensive than smaller ads. Ad size can range from multipage layouts, to double tech ads, to full-page, half-page, quarter-page, eighth-page, and 16th-page ads.

Then ***color and position must be considered***. Here too, common sense rules. Color processing is more expensive than black and white. And better page positioning carries premiums.



## Factors in Success

### Media Selection

The difference between media selection can be enormous. One magazine might give you four times your money back while another might give you nothing at all. That's why it's so important to test lots of different media. Most won't work for you, but some will. To find one publication that's profitable, you may have to test a half dozen that aren't. In direct mail, everybody understands this concept, but when it comes to direct print advertising, most marketers have an entirely different point of view.

To develop a direct print source channel of customers for your business, you must commit to the process in a serious way. Serious means studying the market carefully to determine where similar products are being sold.

***You should commit to testing 10 to 20 different publications before you decide that direct print doesn't work.***

### Cost

Some marketers take a blanket approach to cost, refusing to pay more than a certain number of dollars per thousand readers. Dollars per thousand is a standard industry measurement. As a general rule, this is a mistake. Each publication that carries your ad is going to give you a different type of customer. Some will respond immediately, but die out quickly. Others will have a longer tail. Some will buy only very inexpensive products; others will be responsive to higher-margin promotions.

In building a profitable direct print base channel, you will eventually need to know the lifetime value of each of the publications that takes your ads. As the term suggests, the lifetime value tells you what a customer is worth over his buying life with you. The lifetime value of your customers depends on how you treat them as well as the quality and cost of your products you sell them. But lifetime value is also influenced by where you get your customers.

Each source, each publication in which you advertise, will deliver a different lifetime value. For that reason, it's necessary to track your customers according to source. By analyzing lifetime value this way, you'll be able to determine how much to spend on each publication in which you advertise.

***When you test a new source, you won't know its lifetime value for at least six months.*** While you're waiting, you can make decisions about continuing advertisements with that source by assuming that it will deliver an average lifetime value. If the initial response is stronger than average, you can go forward with a reasonable degree of confidence. If the response is average, you should continue, but very conservatively. If the response is below average, it's usually better to wait till you can determine the lifetime value of those customers.

***Generally, the quality of customers you get from any individual source will remain constant unless something changes with that source itself.*** Sometimes a change of editorial policy can improve or diminish its quality. Sometimes a change in circulation, particularly a sudden increase, will signal a change in quality one way or the other. For this reason, it's important to pay close attention to editorial consistency, advertising practices, and response rates of sources during the testing phase. If they suddenly change, be alert. Consider curtailing or even stopping your advertising until you have reason to be optimistic again.

## **Offer**

After media and cost, offer is the most important factor in determining your success in print. The offer is a broad term. It consists of the product, the price you ask for it, and other variables such as premiums and guarantees. Finding the right offer takes some time and testing. When you are beginning and don't know what offer to use, look at what your competitors are doing. If they've been running offers for any length of time, it's usually because they're working. Imitate and test against them by changing individual aspects of the offer such as price, premium, or guarantee and see how such changes affect response rate.

***Free offers tend to bring in less qualified customers.***

It's usually better to incorporate some sort of price qualifier. Even if that means as little as charging a small fee for postage and handling.

## **Copy**

The last factor that will affect the outcome of your print placements is the copy you use. The copy can double or halve response rates, even when the sourcing offers are the same. For that reason, you should test copy constantly, always looking to beat your current control.

## **Tips and Techniques**

**Whenever possible, try to purchase remnant space.** This is space in the magazine or newspaper that has not been sold in time and is left over. It is also referred to as remainder advertising or last-minute advertising space. Knowing that the publisher is motivated to offer you remnant space is good for your advertising campaigns. Make sure you are aware of the publication's deadline. Then call right before that deadline and start your negotiations. If space is available and time is tight, the publication will most likely take your offer. Your chances of obtaining remnant space are even greater in newspapers. Unlike a monthly magazine, which can easily alter its page count, newspapers often have a set format and page count, and even tighter deadlines. And as fewer customers are reading papers, advertising revenues are more important to them. This does not apply only to small-town local papers.

## Start with the ABC

The Audit Bureau of Circulation is a third-party circulation audit of print circulation readership and website activity. ABC's reports and service are essential for buyers and sellers of print advertising to make informed business decisions. With more than 4,000 members in North America, ABC is a forum of the world's leading magazine and newspapers publishers, advertisers, and advertising agencies. The organization provides credible, verified information essential to the media buying and selling process. ABC maintains the world's foremost electronic database of audited circulation information, and an array of verified readership subscriber demographics and online activity data.

This is a resource to be used in three ways.

1. To expand your universe to the publications you may never have heard of
2. To verify that you are getting what you are paying for
3. To clarify if the publication has a paid or controlled circulation base

Once you have identified the publications you think may be worth advertising in, you need to go one step further and ***download their media kits***.

A good media kit will contain:

- A mission statement
- An editorial profile, which is a short description of the magazine's editorial content
- An editorial calendar indicating publishing and advertising deadlines
- A reader profile—psychographic information on their likes and what they spend time doing
- An audience profile—demographic information such as gender, age, income, education and occupation
- Its rate base—the publication's readership, both newsstand buyers and subscribers, both paid and controlled

## Get a Good Rate

How do you know if you're getting a good rate for your advertising? The best way is by figuring out how much it costs to reach 1,000 readers. This is known as a CPM, cost per thousands. Here's the formula.

$$CPM = (Cost\ of\ Ad / Circulation) \times 1000$$

### Exercise: Who Else Is There?

Before you sign on the dotted line for your space advertising, get the last six to 12 issues of the publication. Then go through every page and chart the following.

How many ads are direct response ads?

How many similar companies are advertising?

How many similar offers are being advertised? How many of the direct response ads and the similar companies and the similar offers have been repeated in the last six to 12 issues?

***When marketers are getting expected results or better, they do not stop or pull a campaign.*** This is the information you will not get from a media kit or sales rep, but it is critical. You must go through this process every time you do a print ad campaign.

***Do not try to write copy for a quarter-page ad.  
Go through the same copy guidelines as when writing  
other ads, and edit it down as needed.***

Before you send it off to the printer, test it. Test your headline in a pay-per-click ad. Test the copy for the entire ad on your website. If you don't have a website, test it on a competitor's site. It will be cheaper to test it on a website rather than in print. And you will have results within hours.

## The Right Order

In any multichannel campaign, I recommend starting with these three directs in this specific order.

1. Direct email marketing
2. Direct mail marketing
3. Direct print marketing

By approaching each channel in this order, you are able to go through the creative process once. And then slice and dice your existing copy into direct mail, direct, and direct space ads. This is the best way to leverage the work of your marketing team and your copywriter.

### Exercise: Gather Info

If you want to get started now, use these three directs and start gathering information on your possible media buys. Write your ideas down here:

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## Television

TV can be a viable secondary medium for multichannel marketers if they take a careful direct response approach. To make money using this channel today, you have to go back to the work when television was in its infancy. Strong pitches that focus on value, uniqueness, and benefit.

In considering whether you want to add television to your overall marketing program, keep in mind that it is a unique medium. It addresses consumers when they are in a passive mode, usually sitting in a comfortable chair or lying in bed at home. Print and Internet advertising, by contrast, engage prospects actively. In fact, these consumers are usually searching and scanning for information that they find interesting and rewarding.

Because television advertising is passive, it has to try harder to capture attention and motivate. This is why creative advertising usually doesn't work. By disguising itself as entertainment, it further relaxes the consumer's already zoned-out brain and sends the message: This is just for fun. You don't have to remember any of this.

***For most businesses, television advertising should be a supplemental endeavor restricted by a limited budget.*** Focus on smaller audiences, especially targeted ones, TV channels and programs that concentrate on market niches such as investing, real estate, pets, home shopping, building wealth, and so on.

With the growth of cable and regional TV, it's easier to find channels and programs that cater to the prospects you want to reach. If you spend time looking at the growth of targeted and local advertising on these new cable stations, you'll understand how viable this type of market can be. All these channels need advertising revenues to remain on the air. And because the industry is bigger and more competitive now, many stations are offering very affordable rate packages, within reach of even small businesses and organizations.

Planning is especially essential for the business person approaching broadcast advertising for the first time. When you're starting out, it's important to educate yourself about the medium. The best way to do that is to talk to a lot of people. This includes advertising representatives from TV stations, other business owners, and your customers. But before speaking to anyone, you want to have a basic understanding of how TV advertising works.

### How TV Advertising Works

Like direct mail, direct response TV ads come in various formats. The top three are:

1. Short-form ads that run 15, 30, 60, or 120 seconds. These ads can run throughout the day and night.
2. "Paid programming"—long-form ads or infomercials that run about an hour, the length gives the marketer more time to demonstrate the product. These usually run late at night or on the weekend.
3. Home shopping ads on channels such as Home Shopping Network or QVC. These dedicated TV channels run 24/7.

In your business, you can use one format or mix them up. It's good to know that all these ads, no matter what their length, follow the same formula. They use repetition to make the viewers believe they want the item being advertised. And of course they all follow direct response principles. They ask the viewer to take action immediately, usually by calling in to buy the product. And as with all direct marketing efforts, you'll know if your ad is working almost immediately after the commercial airs.

## **The Principles of Effective Television Advertising**

**Arresting.** If you don't catch your viewers' attention there's no way you can sell them anything.

**Direct.** The purpose is to sell your product. To do that effectively, you must show the product, promote its benefits, and provide a good reason to buy it.

**Benefit-oriented.** Mention the features of the product when needed. Always stress the benefits, especially the USP.

**Consistent.** The quality of the commercial's production should reflect the quality of the product itself.

**Compelling throughout.** Grabbing attention in the beginning is crucial. Letting that interest flag later on is unforgivable.

**Intentional.** Ultimately the commercial must sell something. Be sure a purchase is at least implied.

## **Bang 1, 2, 3**

To ensure you get the biggest bang for your buck, make sure you can answer yes to the following three questions.

1. Can its benefits be demonstrated? Without demonstrating, you can't use TV effectively to make a sale.
2. Does it have mass appeal? When you select your target audience, there should be a high probability that the majority of those people can use your product.
3. Is it unique or novel? It's best if your product is novel enough that there's little competition for it on the retail level. In fact, once a product is widely available in retail stores, direct response TV spots stop working.

For successful direct response TV spots, follow these important guidelines.

**Create 60-second spots for direct sales.** While 30-second spots are the norm for most TV advertising, their primary function is lead generation. If that is what your advertising model calls for, use 30-second spots. But if you want to sell directly to viewers, then favor 60-second spots in your testing.

***Give a visual call to action.*** Experts say you should have your toll-free number and possibly your website on screen for at least 40 seconds. Some advertisers display this information throughout their spot.

***Test the magic number: \$19.95.*** Start with \$19.95 and test away from that number until you find the offer that works best for your product.

## **It Takes a Village to Make a TV Ad**

You've got to decide on and handle a lot of logistical details when making a direct television ad. Some examples are:

**Concept Development**—This is the style and format of the commercial.

**The Marketing Plans**—These are the goals you have for the ad.

**The Creative**—This is the scripts and the marketing message of your ad. These should be written by experienced direct response copywriters, preferably with experience in writing for TV.

**The Production**—This is the actual creation of the ad in the studio with camera, lights, microphone, sets, and so on. This includes post-production work as well.

**The Media Buying**—When buying air time on TV stations, you should do your due diligence to find out which stations and times work best for your product. Of course, you'll have to balance that with what you can afford.

**Telemarketing and Fulfillment Management**—Most direct response TV features an 800 number for customers to call. This usually means hiring a professional telemarketing company.

If you take the time to find out how direct response television marketing works, you might find that it has the potential to bring in more money than any other channel.

## **Radio**

Despite advances in technology, radio is still one of the most powerful and widespread communication and advertising media.

***Radio can reach potential customers in places where you may not otherwise be able to contact them.***



With radio, you'll reach those customers who may never turn on a computer and who don't read the newspaper or magazines. That said, radio is not appropriate for every business, just as email marketing or direct mail may not work for everyone. That's the beauty of multichannel marketing. You do your research and testing, find the mix of advertising formats that works for you, and go with it.

Radio advertising can be a great marketing tool. It is especially useful in helping entrepreneurs reach specific demographic segments of the general population.

## **Get the Most out of Radio**

**Step one: Determine your target market.** Figure out exactly who buys your product. What are your customers' interests and spending habits? What do they like about your product? Through which marketing channels can you reach them? This is a no-brainer, but many companies forget this step.

**Step two: Ask your fellow business people about their experiences.** If you're thinking about getting involved in radio advertising, talk to some of your friends in the business about their experience. Seek out advice. Learn from their mistakes. Build on their successes.

**Step three: Hire a pro.** If you aren't experienced in radio advertising, hire a consultant to walk you through the process of creating and producing an ad that will resonate with your customers. Consultants will help you write a script, record in a professional setting, choose a proper format, and so on. Besides being money down the drain, a badly produced ad could do a lot of harm to your company image.

**Step four: The voice of your product.** Many times business owners or entrepreneurs will lend their own talent and voice to the radio commercials. If the thought of being in an ad alarms you, don't worry. Just hire someone. Voice talent is easy to find. Your consultant or radio station will be able to help you with this.

**Step five: Get bids from different radio stations.** Once you've created an ad, don't just run it on the first radio station that pops into your head. Check out all the stations that serve your target market. Let them know you are interested in buying air time, and then make them work to get your business. Ask for proof of their effectiveness in reaching your potential customers, a recommendation for how often your ad should run, and the proposed cost. All this information should help you make an informed decision.

**Step six: Check out sponsorships.** Consider sponsoring news reports or the weather, perhaps with a short intro, followed by a quick mention of your website or 800 number.

**Step seven: Purchase remnant space, a low-cost opportunity.** Remnant space is the air time that hasn't yet been sold to advertisers. The closer they get to the air date without advertising, the more nervous radio stations get that they won't make any money on that time. So they start offering discounts as high as 75% to the advertiser willing to step in. That's your chance to save a lot of money.

## **Exercise: Radio and TV ads**

For the next three days, pay special attention to the radio and television ads you hear and see. In the following space, make note of one ad that really exemplifies the principles of effective advertising.

**Arresting**

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**Direct**

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**Benefit-oriented**

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**Consistent**

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**Compelling throughout**

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**Intentional**

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## iJournal Entry

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## CD7: Using the Power of Partners, Customers, and the Media

### The Characteristics of Successful Joint Ventures

- Good joint ventures are those that pair up businesses with a symmetrical resource and skills.
- The stronger the resource and skills brought to the table, the stronger the potential of the joint venture.
- All things being equal, joint venture deals grow more quickly and strongly when there are few restrictions impeding their growth.
- Trust and respect are essential ingredients in a good joint-venture relationship.

### How to Develop Successful Joint Ventures

Joint-venture marketing relationships can be extremely valuable. Every ambitious entrepreneur and marketing director should be open to them. Making them work, however, does take time and consume resources. And because you don't have unlimited time and resources, it makes sense to be strategic in selecting your joint-venture partners.

- You want to look for strong partners, businesses that have significant skills and/or resources that you lack.
- You want to make sure that your contribution to the deal is equal to your partners'. An unbalanced partnership is not good for either party.
- You need to avoid partners whom you don't trust.
- If possible, limit the scope of the venture in the beginning and expand it as the trust increases.
- Make agreements simple and put them in writing.
- To avoid costly misunderstandings after the venture has begun, identify the value of each partner's contribution at the onset. These should include skills, intellectual resources, marketing resources, capital, and so on.
- In determining the value of those contributions, remember that fairness is not an exact number, but a range.
- Try to be flexible, and favor partners who demonstrate the same flexibility.
- Establish clear protocols at the beginning for amending or unwinding the relationship if it fails to meet expectations.

- Goodwill is essential for success. Goodwill means you want your partner to benefit from the relationship as much as you do.

The idea is to develop joint-venture relationships that are easy to maintain, financially profitable, intellectually rewarding, and long-lasting. If you pick a weak or untrustworthy partner, the joint venture will eventually fail. If your partner sees you as weak or untrustworthy, the venture will also fail. If, on the other hand, you develop a reputation for being a good, trustworthy partner, good people will come to you and be happy with the terms that you suggest.

***You want to invest more in those relationships that return more to you.***

### **Be Attractive**

Make it easy for people to do business with you. Although you are seeking partnerships that will benefit you, you won't be attracting many joint-venture partners by talking about what you want or need. Like all other business-building activities, creating joint-venture deals is a matter of selling—selling potential partners on the value they will get from doing business with you.

To attract the attention of potential partners, consider doing something nice for them, unsolicited. For example, recommend one of their products. Make sure that they know you've done this, but don't ask for any compensation and refuse any if offered.

Do pay close attention to the response of your target partners. If they offer to compensate you for a good deed done or reciprocate in some way, this tells you that they are people who understand the value of give and take. If however they come back asking only for more free advertising, well, you know that you don't want to do business with them. In either case, you've learned something very valuable at a very modest cost.

**Exercise: Pick Your Players—Part One**

Think about the major players in your marketplace. Consider the strengths and weaknesses of each. Ask yourself how you may benefit from working with them.

In the following space, make a list of potential partners and develop a strategy to approach them. And show them how they can benefit from doing business with you.

Potential partner	Strategy for approach	Benefits of doing business with me

## Pick Your Players—Part Two

Now, for each potential partner, ask yourself the following questions:  
(We've provided space for you to write notes if you like.)

What are my objectives in entering this joint venture?

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A) What do I want now?

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B) What do I want eventually?

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Do the short- and long-term objectives of this potential partner differ from mine?

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If so, could these differences cause a conflict?

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If so, could this conflict be resolved?

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What specific qualities, skills, and resources is the partner bringing to the table?

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How valuable are these qualities, skills, and resources to me?

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Does the partner attribute roughly the same value to them? If not, is there some way we could resolve the difference?

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Are there other ways to get these quality skills and resources?

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If so, what would they cost?

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Which one of us has more power on the onset of the relationship?

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Will that change as the joint venture moves forward?

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If it does change, could that cause a problem?

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Could that problem be serious?

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What can I do to prove my value to my potential partner?

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What do I need to make the deal work?

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How soon can we get started?

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## What's Best for Me?

Let's say two potential partners come to you with a very similar offer. You should endorse only one. So if you are sure they have equal quality and they're both good for your customers, you need to see your bigger payoff. You may want to ask yourself questions such as, Who has the bigger list? Who has been in business longer? Who has better promotional copy?

Ultimately though, the *decision should be based on which product is better for your company*. And once the decision is made, it makes sense to agree to joint venture with that partner. That way you can test your joint-venture partner's product to your customers using your own sales copy without incurring any product research and development cost. If the product is successful with your list, you can then develop your own version of it.

Build long-term relationships. Doing one-shot deals is a waste of time—even if they make a lot of money. Long-term relationships will yield you much more in the end.

Make sure your partner shares your core values and your missions.

Ensure that you are giving them more than you are getting. This may seem counterintuitive, but if you have 20 40/60 deals instead of 10 50/50 deals, you will be much better off in the long run, and many of those partners will wind up working exclusively with you.

## Joint Ventures Versus Affiliate Marketing

Affiliate marketing is simply the promotion of other people's products in exchange for commission-based compensation. You are able to promote, advertise, and sell their products on your website. When your website generates a sale for one of those products, you make a commission. Signing up is easy. Collecting the commissions is easy. Even building a website is relatively easy.

### How to Start Affiliate Marketing

- First, create a website. This is reasonably cheap to do. You can build one for about \$300. Then, develop a list of products you'd like to sell as an affiliate.
- Next, you need to promote those products to your list so the people will want to come to your site to make a purchase. You can promote to your list through various online tactics that we've already discussed.

## Why PPC?

The reason you should start with PPC (rather than selling products) is that it's the easiest way to make money with an affiliate program. With PPC you will be making profits based on the click-throughs that visitors to your site make to the affiliate company site. In other words, you'll be able to profit even from site visitors who do not buy anything.

Not only that, but when people find the product and services that they want on your site, you will be building your site's recognition as a valuable resource. And visitors are more likely to keep coming back to review what you're offering more closely.

Most PPC affiliate programs can also help you promote your own products, too, by allowing you to spend your click-through commissions on advertising with them instantly and with no minimum earning requirement. This is an effective way to exchange your raw visitors for targeted surfers, those who will have a greater tendency to purchase your products.

## As Easy as PPC

PPC programs usually have ready-to-use affiliate tools that can be easily integrated into your site. The most common tools are:

- Search boxes
- Banners
- Text links
- Error pages

Most of them can enable you by using only a few lines of code to integrate a moderately hosted co-branded search engine in your website. The key benefit is not only more money generated, but also some extra money on the side. Plus you can end up with a lifetime of commissions once you have referred some webmaster's friends to that search engine.

## The Same Seven Principles of Success

The reason many people confuse joint ventures and affiliate marketing is because they are more similar than different. The same basic seven principles will determine your success.

1. Build partnerships, not one-shot deals.
2. Don't be greedy; give more than you get.
3. Create win/win situations.
4. Sell products that are good for both partners and customer.
5. Fill a need or solve a problem.
6. Consider your long-term goals.
7. Make your partner lots of money.

***Other than affiliate marketing, where else can you get all these benefits while generating quick income from your website?***

## **Event Marketing**

Event marketing refers to a wide range of promotional activities. From major conferences and trade shows to smaller more specialized seminars, contests, parties, fund raisers, and retreats, an advertising event is basically any sort of one-time happening that publicizes and/or promotes your company and your product.

### **What Kinds of Companies Should Use Event Marketing?**

Event marketing makes great sense for information-marketing companies. But what about other businesses? Does it make sense for them? The answer is an enthusiastic yes. Event marketing has great potential for businesses that are creative and want to know their customers on a face-to-face basis.

The first time you sponsor such an event, you will probably attract a limited number of attendees. But if you put on a great show and promote the show to your customer base while it's going on, by sending them on-the-scene emails, you'll be sure to have lots more people coming the second year and a lot more people after that.

The challenge in promoting events comes from the fact that they take place in a fixed location at a defined point in time. It takes time, a considerable amount of time, and money for customers to attend them. Because top customers are usually very busy business people, it's often difficult for them to find the time.

***If you plan and promote it right, your customers won't think of an event as a chance for you to sell them more products; they'll see it as a chance for them to be treated like VIPs and have a lot of fun.***

### **Key Questions to Ask When Planning an Event**

To maximize the amount of fun your customers have, you should ask yourself the following questions when you start to plan an event.

1. On a scale of 1 to 10, how much fun will this be?
2. How much interaction is the event likely to produce?
3. Will the event be useful to my customers?

Structuring your event around the answer to those three questions will ensure success and profitability. And that success and profitability will grow each year that you run a particular event. In fact, you'll be amazed at how events can grow if you run them right.

## **Avoiding Problems**

Otherwise great events can be ruined by lack of preparation.

### **Here is the Disaster Prevention Checklist:**

**How good are the speakers and speeches?** Don't be afraid to ask your speakers to present their material beforehand. Avoid academic or overly technical presentations and speakers who are inexperienced or poorly rated as public speakers.

**Have you hired an excellent master of ceremonies?** Don't make the mistake that thinking anyone can do the seemingly simple job of introducing speakers at event functions. Only a skilled professional can engage the audience and put everyone in the right frame of mind.

**Do you have a superstar running the event?** Engage a specific individual to oversee the schedule to make sure everyone and everything is in place and on time. The person to handle this job, the event manager, might be someone who works with you. It should be a person who is good with details, can push the troops when they need pushing, and can solve problems under pressure without getting flustered or angry.

**Are there enough people in place who will take care of the attendees' problems?** Often these problems have nothing to do with the event itself. They might be a hotel or travel problem. There might be a health issue or family concern that arises. It doesn't matter what the issues are, if your employees come to the event with the idea that they are there to make sure everyone has a great, fun time, they will be willing to do whatever they can, and that will leave a very good impression about your company in the minds of all those who attend.

**How well planned is the check-in process?** The first impression your customers will have when they attend your event will likely be the one they receive while checking in on the first day. If you haven't properly planned the check-in process or are understaffed to handle the initial rush for that first-day check-in, you'll create a negative impression that will be hard to erase even if the rest of the event runs smoothly.

**Do you have a fail-safe audiovisual system?** Don't rely on the hotel's A/V staff to deliver 100% of what they promise. (There are always surprises when it comes to electrical, mechanical, or computerized components.) Make sure that you have backup systems in place and insist that technical support is always available at a moment's notice throughout the event in case of an emergency.

**Do you have a truly welcoming welcome package?** You will reduce the number of problems you run into by preparing for each attendee a welcome package that tells the person everything he or she needs to know about the program, the activities, the hotel facilities and amenities, and just about anything else you can think of. Include a local map and information about local shopping and spa services and restaurants. Include emergency contact information and the names and phone numbers of staff members who are available to answer questions and assist attendees during specific hours.

## Ways Your Business Can Benefit from Event Marketing

### Customer Knowledge

First and foremost is *the knowledge you will acquire about your best customers*. It's not only the demographic information that you get from the registration forms, but also *the psychographic data that you gain by analyzing their actions during the events*. Which workshops were most heavily attended? Which speeches got the highest ratings? Which presentations provoked the most controversy, and last but not least, which product sold strongly during the event?

### Making Money

What about your attendee fees? In general, *the more esoteric the conference topic, the more expensive the price of admission*.

Let's talk about exhibitor fees. If you have a good-size attendance, you can set up an exhibit hall adjacent to your main conference room. There, attendees can look at and purchase products from exhibitors that are related to the subject of the conference.

*Exhibitor fees can be a significant source of extra income*. To ensure that the exhibitor adds to the event rather than distracts from the quality of the conference, you should be picky about who exhibits, who you allow in. Also ensure that a large part of their sales process is educational so that your customers will benefit from the exhibit experience, even if they don't buy any products.

*Sponsorship fees*. You can make some extra income by having exhibitors or outside vendors sponsor such things as meals, cocktail parties, and entertainment as part of your event. Sometimes you may be willing to allow the sponsor to speak to the audience during sponsored time. Sometimes they'll be happy to merely be prominently listed as a sponsor.

*Podium sales*. In the information industry, it's now customary to allow some of your speakers to sell information products as part of their presentation. When this is done crudely, it has a negative impact on attendee satisfaction and will likely result in refunds. When it is done well, by a practiced professional, it goes over without a hitch and can result in significant bottom-line income. There are no fixed rules to guide you in determining how much platform selling you should allow at your event. Generally, keep it at a minimum, and only to allow it when it is both an integral part of the presentation and when the product being pitched will be beneficial to the customers.

*Vertical back-end sales*. Generally speaking, the largest single source of income at conferences these days comes *from marketing of a single high-priced back-end offer that allows those in attendance to purchase one's largest, best, and most desirable products bundled together for a on-time highly discounted price*.

Developing this sort of bundled product requires a good deal of thought and planning. It should include some new and very exciting product that the attendees are likely to want to purchase anyway, along with lots of other good-quality products that they may not have. And then some special limited-availability services that bind the offer together and give it a VIP feeling.

***Generally speaking, the bundled VIP offer you make at an annual conference will be the most expensive package you offer all year.***

**Other Sources of Revenue.** In addition to all of the above, there are numerous extra sources of revenue that can be derived from a yearly conference. You can and should, for *example, sell an audio- or videotaping of the event to all those who attend* and to every one of your customers who was not able to attend. You can establish a little bookstore outside the main conference room where you *sell your entire product line*. You can even *break down the presentations into individual products and sell them separately* to existing customers and even test them to create new customers.

### **To Fee or Not to Fee...**

At this point, we should distinguish between an information conference and a sales event. If it is a sponsored sales presentation, you know it and your customers know it. It would seem excessively greedy to charge them a fee to attend.

An information conference is a very different sort of event. Its primary purpose is to teach customers more about your products, how to use them, and how to benefit from them, and also to offer them great deals that they won't find at any other time. Sales can be made at information conferences. In fact, you can make lots of money with information conferences. But *to make them valid for the customer, they must always be primarily about the information.*

Generally speaking, the lower price you charge, the more attendees you will get. But that consideration must be weighed against the considerable cost of producing a conference and the likelihood that free admission will bring lots of nonresponsive browsers. Fee-based conferences produce much greater benefits all around. Yes, charging a fee reduces the quantity of attendees but usually by eliminating people who would be wasting your time and consuming your resources without any reciprocity in terms of current or future sales.

How much you charge your attendees depends on the disposal income of your customers and the quality of the program you're offering. If you set your fee at the lower end of the range, you will likely attract a bigger audience, which might allow you to make more money from selling exhibitor space. If you set your fee at the upper end, you may not be able to bring in outside vendors. But the in-conference sales of back-end products will likely be much greater. Ultimately, choosing a price is an art, not a science. A prudent course of action for the first-time conference promoter would be to pick a mid-range, such as \$500, and then make adjustments in subsequent years.

## Other Types of Events

There are many other types of events you can market.

**A free local seminar.** The challenge with free local seminars is attracting qualified attendees. If you make the event free and give away coffee and donuts, you will have a lot of moochers showing up. If all you are willing to give away is good information and you're marketing the event strongly, you'll get the attendees you're looking for, and they will convert to customers at a satisfying rate.

**Teleseminars and virtual seminars.** Using modern audio and Internet technology, you can run telephone or Internet seminars to a large number of people, prospects, or customers at a relatively low cost. What you need is an exciting topic, an experienced speaker, some special product to offer those who attend, and a cost-effective way to generate attendance.

**Trade shows.** Whether you set up a booth at a large event or host your own and sell booths to partners and even competitors, trade shows are a great way to raise your company's profile and the profile of your industry as a whole. Of course you can't expect attendees simply to roam around checking about products and hearing sales pitches, you need to give them networking parties, well-known speakers, and other entertainment.

**Executive retreats.** These are held in high-end resorts and hotels. They're less an event and more a meeting of the minds. They are more expensive than standard events because they feature one-on-one contact between expert speakers and attendees. They're usually more informal to give an attendee a great opportunity to find like-minded business partners.

**Charity and fundraising events.** In the old days, when a nonprofit wanted to raise money, it simply asked potential donors for it, using either the phone or direct mail. Today, raising money is a multichannel-marketing event.

**Niche-specific club events.** Many clubs put on events for their members to get together and trade stories. Members pay their own way, plus a fee for the instructors.

**Associations.** Many associations put on events to help members advance in their careers. Often they will ask experts to donate their time and charge the attendees so that they can keep the association afloat.

## How to Plan and Market an Event

Marketing an event is like any good marketing campaign. If you are planning one, the steps you take are the same, regardless of whether you are hosting 20 people or 500 people.

The following information is a reference guide that you can work with when planning any event. You can easily tailor it to suit your specific needs.



**First, you need to create an event timeline and assemble a team for each event.**

The team should include:

**An event planner.** This must be someone who is organized and who can push to get everyone to do what needs to be done. Experience helps here, but the right kind of personality, calm, detail-oriented, and thoughtful is essential.

**A marketer.** A good direct response marketer can do the job. Event planning from a marketing point of view is pretty simple.

**A copywriter.** As with any direct response promotion, good copy can double or triple response rates. Don't skimp when it comes to paying for copy.

**A profit-center manager or business director.** The event itself should be profitable, so put its profits in the hands of someone who has experience creating profits.

**An emcee.** The choice of the emcee is very important for the seminar and conference. Although emcees don't usually provide any content, they are in front of the audience a great deal of time. A great emcee is much better than a good one. Invest the time and the money to get a great emcee.

**Speakers and presenters.** Every speaker and presenter will either enhance or detract from your reputation, so be very careful in deciding who you're going to put in front of your best customers.

## **Determining the Four W's and the One H**

Next, determine the Who, What, Where, Why, and How for the event. Ask yourself:

**Who** is our demographic?

- What lists are appropriate to promote to?
- Are there any joint-venture opportunities?
- Who is eligible to attend? Do they have to fit within certain guidelines?  
What level are they—beginner, intermediate, or advanced?
- How many attendees will we have? What number will allow us to maximize revenue, but also provide the best information and service to attendees?

**What** type of event is this going to be?

- Will it be high-end (all-inclusive) or low gate fee (fewer amenities provided)?
- Will the general goal be to help them obtain extra income? Educate them?

**Where** will the event be held?

- How do the possible locations/venues compare?
- Do these locations/venues meet our predetermined goals?



- Can the hotel provide our event-specific needs on specific dates?
- Have we considered all the information we need to negotiate a contract?  
Room rates, meeting space requirement, attendee logistics such as time zone, airport locations, attrition issues, group blocks, A/V requirements, banquet event orders?

**Why** are we doing this? What is the purpose of the event?

- What is the general purpose of the event?
- What is the desired outcome?
- Does this make sense in terms of revenue?

**How** will we execute this event?

- How will this event be executed in the most cost-effective manner for our company and attendees?
- Does it make sense to partner with others or to use in-house resources?

***If you promise 10 things at your event, deliver 11 or 12.  
Never underdeliver on your promises.***

## Public Relations

PR is one of the channels of marketing that no business should ignore. That's because it's nearly free, and when it works, it can work like wildfire.

So how do you get on television and in the newspapers? You start by understanding what they're looking for. Generally speaking, they're looking for two things. They are looking for ***news about subjects their readers are really interested in*** and ***captivating or curious tidbits to fill the gaps***. It is only into the second category of news coverage that you could hope to find a welcome place for your public-relations campaign.

Don't waste your time and resources sending out press releases to the national media about company news. Instead, figure out which news media you want to be in. And then figure out how to create curious and captivating stories that relate to your business.

## Start Locally

When you get some local coverage, you can hope to see if it extends itself naturally. The regional media look to local media for human-interest stories. And the national media look to regional coverage for the same.

To figure out how to create successful stories, you have to know the media you want to reach and understand what kind of stories their audience delights in. That's actually pretty simple to do. Just see what they have used in the past.

It's very important to *target your press releases to the specific publications and media outlets whose audiences you want to reach* rather than sending out 1,000 general press releases about a story that has no general appeal. It's much more effective to send out a dozen or so targeted press releases containing stories that are exactly right for the intended customers.

Sending your releases to an individualized list of 100 people with whom you have talked or corresponded is infinitely more effective than buying a list of 10,000 people who don't know you from a hole in the ground. Public relations today, like marketing and advertising, is much more effective when it's done with intelligence and personalization.

### **The Rules of Internet Publicity**

Essentially, the new rules of Internet publicity are the same as the new rules of print and media publicity.

- Target a very specific audience.
- Find out exactly what kinds of stories they enjoy.
- Create a story that they might be interested in.
- Tie that story to your product in a clever way.
- Develop a list of personal PR contacts.
- Focus 80% of your energy and resources on 20% of the media market that you know well—especially the people in the business who know you and are likely to help you.

### **Exercise: Stand Out in the Field**

In this exercise, you'll develop your first PR story. What is some story or idea that the news agencies want to put out there for you? What is something controversial, something exciting, something that's going to make you stand out?

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## iJournal Entry

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## CD8: Putting It All Together: The 10 Steps to Launching Your Multichannel Marketing Campaign

Ten Steps to Launching your Multichannel Marketing Campaign:

1. **Determine the purpose of the product you intend to sell.** There are two kinds of products: need-to-have products and want-to-have products. Understanding which you are selling is crucial to your business. Need-to-have products include houses, furniture, and food. Selling these products is usually a matter of providing good value at a fair price. Want-to-have products include jewelry, cosmetics, and art. To sell these products, you have to create a perceived value for them. Before you begin to market, you need to make sure that your product meets a certain need or want or solves a particular problem that resonates with your prospects.

2. **Establish marketing priorities via a timeline.** You are about to put your new product on the market, and you want to make the biggest splash possible. The best way to do that is with a product launch timeline. Regardless of whether you're working alone or with a team, you may feel a little overwhelmed by your mental to-do list. This is why a timeline is a vital part of ensuring your campaign success. A timeline is a visual representation of a number of events and their chronological occurrence. It tells you what happened or what's going to happen and when. The timeline will help you keep your planning efforts on track.

3. **Determine your goals.** Before you go any further, make sure you know exactly what your efforts will yield you. *This is called making assumptions or forecasting.* Keep in mind that your goal does not have to be the same for each channel. You may intend to make money on many of your online channels while you're willing to take a loss on your direct mail campaigns because of the lifetime value of the customer you expect to bring in.

4. **Get your sales copy written.** You may think it is counterintuitive to get your sales message written before you determine your channels, but it's not. You know that dealing with copywriters and getting final copy can take a while, in some cases, several weeks, so you need to start the process as soon as possible. Remember that copy has to grab the attention of your prospects from the very beginning. It has to make them understand their need for your product, and it has to help them visualize the product in their minds, and imagine how it will enhance their lives. Also, the copy must anticipate and answer any questions or concerns your prospects may have. Don't leave this to chance. Make sure all critical information about the product is supplied early in the sales letter, while minimizing any risk and installing confidence in the product and the company behind it. Lastly, make sure it's easy for your customer to purchase the product.

5. **Determine your channels.** If you will be marketing your product to your house list, the campaign probably will do well. Your house list already knows you and your company, so you can predict a higher response rate, resulting in a better ROI. You can also market your product to outside lists. These are the names that you do not have permission to market to directly, but who have agreed to receive third-party advertisements. In this case, you will assume a lower response rate, resulting in a lower ROI, depending on the cost of the product and the cost of marketing.

6. **Develop your media plan.** Now that you know which channels you will use for your campaign, you need to select the media for each. Start by checking out your competitors' websites. Do they accept outsider banner ads? Do they send third-party advertising to their list? Perhaps they have a print publication associated with their business. If they have repeat advertisers who are selling something similar to your product, your ad will probably do well with them too. This is the birds of the feather flock together that we spoke about earlier.

7. **Secure your joint-venture partners.** To find potential joint-venture partners, get on the phone, send emails, make lunch appointments, and attend industry conferences and events. Remember, your potential partners will always want to know what you can do for them. If you project an "I'm willing to give more than I get" attitude, you will have a much easier time. Consider the following points in every joint-venture deal: the cost and the risk, how the cost and the risk will be shared, specific goals and objectives, product and company synergies, how goals and objectives will be achieved and which parties will be responsible for each, an approximate time frame for a clear exit strategy, and how to continue to cultivate and develop the relationship with your partner.

8. **Slice and dice your copy.** The hard work is done. Your marketing copy is finished. The copy may be 12 to 24 pages long and, with some minor changes, you'll be able to use it for a direct mail sales letter, a dedicated email blast, and a landing page on your website. You can send the same copy to in-house and out-of-house lists with little more than a salutation change. You should be able to use the headline for your PPC ads and the headline and lead for your text ad. If you're planning an outbound telemarketing campaign, you should have the makings of a script too.

9. **Tech talk.** Understanding operational issues from a technical perspective will give you a better sense of the constraints and possibilities for implementing marketing ideas. However, ***never let technology dictate your marketing***. Instead, it should support the needs of your campaign, but make sure your tech people understand your goals and have all the information they need to serve you better.

10. **Measure, track, and analyze.** None of steps we just covered will do much good if you're not keeping metrics of your progress. If you're not tracking and analyzing, you are simply wasting time and money.

Remember, there are three steps to building a business. The first one is an idea, the second one is action, and the third is effectiveness. So, you have your idea; you've taken action; you understand how to do it now. Now go out there and do it!

***MaryEllen's Lessons for Starting a Company***

- 1. Less is more.***
- 2. Work on your business every day.***
- 3. Know your market intimately.***

**The Five Reasons Most Entrepreneurs Fail**

1. Most entrepreneurs fail not because they don't work, but because they do the wrong work.
2. Entrepreneurs have a hard time finishing products.
3. A lot of entrepreneurs simply don't take enough time to build relationships.
4. They don't pay attention to the numbers.
5. They don't test ideas before spending time and money on them.

**Top 10 Tips for Building Relationships**

1. Know something personal about the people you do business with.
2. Always be sincere.
3. Respond to colleagues in a timely manner.
4. Always arrive on time.
5. Never use your children as an excuse.
6. Be positive.
7. Know something about your potential business associate's company.
8. Never, ever gossip.
9. Give more than you get.
10. Just say no.

**The Seven Steps to a Failed Product Launch**

1. You get an idea for a product.
2. You write or design the product.
3. You print or manufacture the product.
4. You advertise the product.
5. You watch the marketing campaign flop and generate no sales.
6. You sell or give away the product to family members and colleagues.
7. You store the unsold inventory until it's thrown away.

## iJournal Entry

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**Enhance Your Business-Building Library with These  
Great Titles from Nightingale-Conant!**

*The Seven Years to Seven Figures System:*

*Six Steps to Automatic Wealth*

By Michael Masterson

24520CD

*The 90-Second Rule:*

*10 Days to Simplify and Balance Your Life, Family,  
Relationships, and Business*

By Jim Fannin

26210CDD

*The Secrets of Word-of-Mouth Marketing:*

*How to Trigger Exponential Sales Through Runaway Word of Mouth*

By George Silverman

25090CD

*Lessons from the Richest Man Who Ever Lived:*

*Incomparable Insights and Breakthrough Strategies for Success,  
Happiness, and Wealth*

By Steven Scott

23201CD

*Pure Genius:*

*Dan Sullivan's Lifetime Focusing System for Total Self-Mastery*

By Dan Sullivan

22160CD

*Piranha Marketing:*

*The Seven Success Multiplying Factors to Dominate Any Market You Enter*

by Joe Polish with Tim Paulson

23871CD

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# CHANNELS of PROFIT

## SPECIAL REPORT

### Love Plus Logic Equals Great Marketing!

By *MaryEllen Tribby*

Every good marketer I know loves marketing. These marketers read as much as they can about it. They understand the elements that make up a good marketing campaign and are thinking of ways to make each campaign better.

However, every great marketer I know not only loves marketing but also understands that marketing is a methodical process, that the science behind marketing is MORE important than the creative driving marketing.

And the greatest marketers of all are those who love marketing, who use logic to track and read results, and who understand the value of testing and live it every day.

#### **Know Your ABT's**

If you ask any great marketer the number one rule of marketing, he or she will say ALWAYS BE TESTING!

It saddens me when I meet young marketers and they dismiss testing with a wave of the hand. They assume a single-panel campaign they send to their prospects is the best way to go.

If you don't test, your business will not grow. Think about it; how can you possibly improve on your results if you do not go through the testing process? You can't.

Because this is one of the only ways to discover what your prospects want, let's start at the beginning.

#### **What Is Testing?**

In direct response marketing, testing is the process of two or more variations of a single variable offered to prospects simultaneously and then coming to some conclusion based on responses.

Testing is a great way to tap into new audiences, explore a new market or niche, compare response rates on direct marketing fundamental elements, and get insight on a new concept or promotional package.

Testing is beyond theory and can be applied to most any business and marketing channel.

If you have been wondering, can I sell my product or service the way I want and at the price I want, testing gives you the answers.

You could be asking if you can charge more for your product, or whether a new marketing message will work on your target audience. You might want to see if you can cut costs by reducing the number of bonuses offered or changing your shipping and handling charges.

Generally, testing will fall into four categories. You should be testing one of these:

- Copy
- Product
- Offer/Price
- List/Media

### **Copy: The Message Behind Your Product**

When talking about copy tests, I am talking about any test in which you change copy against your control copy. Don't be scared off by thinking that it will be an expensive test and you have to have a full-blown new creative package against your control. This is not always the case. There are lots of ways for you to test copy.

The best copy tests are:

- ✓ Subject lines
- ✓ Senders
- ✓ Formats (long copy vs. short copy or text vs. HTML)
- ✓ Leads (the first two to three pages of your copy)
- ✓ Headlines
- ✓ Background colors
- ✓ Graphics
- ✓ Closes (adding a P.S.)
- ✓ Entirely new packages

In the long run, your biggest breakthroughs will come from completely new creative packages with new messaging and positioning.

Always ask yourself if your test is meaningful and will provide you with a significant boost in response. Do not test minor and frivolous things, meaning, always test things that SCREAM not whisper.

### **Product: Evolution Is a Must**

Good products are things that meet certain needs and solve particular problems. But what solves a problem today is not necessarily what will work tomorrow.

A common mistake many entrepreneurs make is becoming very knowledgeable about a product without knowing how to market. Extreme product knowledge without marketing knowledge gives you a false sense of control because it allows you to answer all the questions, but in the long run, it is NOT as important as knowing how, when, and why customers buy.

Whereas having market knowledge means that you understand the attractiveness of the product rather than the product itself. It means you understand its benefits, not just its features. It means that you know the customers' needs, wants, and desires so intimately that you can reinvent the product before they even realize it needs to be reinvented.

At that point you can test the products against each other. This part is hard because you have to assume you know nothing and let the market tell which product people want.

Being a market expert implies having a very good understanding of the selling process – everything from how it's done, why it works, and what is essential and what's not.

Rate yourself by answering these questions:

- What is the most important psychological benefit your product offers?
- What are the most common mistakes other marketers make when selling a similar product.
- How have YOUR customers' needs and desires changed in the recent past?
- What changes have you made to accommodate those changes?

Products and services are not static things. They exist in relation to markets. And markets are a collection of individuals with changing needs, values, and perceptions. As time passes, these things change – and if your products/service doesn't change, you will be handing your market share to your competitor.

### **Offer: It Can Make It or Break It**

The offer is the third make-it or break-it factor in the direct response world. When it comes to testing, there are three main components to test. In order of importance they are:

**Price:** For example, if you have published a special report on how to lose weight by eating three grapefruits a day, how much will people pay for it? Maybe \$9.95 or \$19.95 or \$29.95? You just don't know until you test. Often you will be amazed at how many people place orders at prices you thought were sky-high. Look at what your competition is charging to give you an idea of where your price points should be, and test from there.

**Term:** Should you test for orders or leads? Should you offer a 1-year and a 2-year subscription or a 1-year and 5-year subscription? Do you offer three free bonuses or six free bonuses? Do you offer a physical product, such as a supplement holder, or information on the benefits of a certain type of supplement? You just will not know until you test.

**Refund policy:** The “If you are not 100% satisfied, simply return this product to us within xx days and we will gladly refund 100% of your money” is really one of the most used refund policies.

But what is that magic number? Is it 30 days, 60 days, 90 days, one full year, or your life-time? Generally speaking, the longer the refund period, the lower the refund rate. But too many marketers are afraid to offer long-term refunds. So what do you do – TEST.

### **List/Media: The Best for Last**

List and media testing is something you will do when launching your online business and something you should continue to do with each mailing.

You will always be on the lookout for potential new lists of people to buy your products. List testing will reveal new segments of buyers and help grow your business. Here's how it works:

You may take the previously mentioned losing weight package and test it to a variety of different health lists to see which list produced the better response. When you start your list research for a particular product, you will generally find the list falls into different categories. For example, for a heart-health product, you can break down the list universe into the following categories:

- ✓ Other alternative heart-health products
- ✓ Other heart lists (subscriptions, fundraising)
- ✓ General nutrition health lists
- ✓ Specific-condition alternative health lists
- ✓ Health newsletter list

Take the time to go through this exercise BEFORE your next mailing. Once you have categorized your lists, you will see which category has the most available names.

You should always consider the long-term implications of your testing. If you bring people in on a heavily discounted offer, that is what they will want to see in other offers from you. If you have tests that are premium intensive, then your customers will want to see those kinds of offers again and again.

Consider this when you are setting up your tests. Be sure whatever copy you use is clear and specific.

The important thing is to be selective. Don't test everything. Don't overtest. Use tests only to increase your current response rates by AT LEAST 25% and up to 100%.

# CHANNELS of PROFIT

## SPECIAL REPORT

### Direct Response Beats Hollywood Every Time

By *MaryEllen Tribby*

When most people think of television advertising, they think about the commercials they see on network TV. Such advertising gives the advertiser an immense reach—sometimes to as many as hundreds of millions of people. But the greater the reach, the less targeted the audience. For every person who might be interested in your product, there will be a hundred or a thousand with absolutely zero interest.

If you're advertising McDonald's or Coca-Cola, you want this kind of reach. But if your product is more specialized, the huge expense of TV exposure becomes an exorbitant bet.

For most businesses, television advertising should be a supplemental endeavor restricted by a limited budget. Focus on smaller audiences, especially targeted ones—TV channels and programs that concentrate on market niches such as investing, real estate, pets, home shopping, building wealth, and so on.

With the growth of cable and regional TV, it's easier to find channels and programs that cater to the prospects you want to reach. If you spend some time looking at the growth of targeted and local advertising on these new cable stations, you will understand how viable this type of market can be.

All these channels need advertising revenue to remain on the air. And because the industry is bigger and more competitive now, many stations are offering very affordable rate packages, within easy reach of even small businesses and organizations.

Creating TV advertising isn't cheap, but it doesn't have to be Hollywood-expensive either. Industry watchers say that the average production cost for a 60-second direct-response TV spot is \$30,000. But that average includes big-budget national ads. Direct-response commercials designed for local and targeted audiences will generally cost a third to half of that amount.

## UNDERSTANDING TV ADVERTISING

Planning is especially essential for the businessperson approaching broadcast advertising for the first time. When you're starting out, it's important to educate yourself about the medium—and the best way to do that is to talk to a lot of people. This includes advertising representatives from TV stations, other business owners, and your customers.

But before speaking to anyone, you'll want to have a basic understanding of how TV advertising works. Direct-response TV ads come in various formats.

### The top three are:

1. Short-form ads that run 15, 30, 60, or 120 seconds. These ads can run throughout the day and night.
2. "Paid programming"—long-form ads or infomercials that run about a half-hour. The length gives the marketer more time to demonstrate and "sell" the product. These usually run late at night or on weekends.
3. Home shopping ads on channels such as the Home Shopping Network and QVC. These dedicated TV channels run ads 24/7.

In your business, you can use one format or mix them up.

It's good to know that all these ads, no matter what their length, follow the same formula. They use repetition to make viewers believe they want the item being advertised. And, of course, they all follow direct-response principles. They ask the viewer to take action immediately—usually by calling in to buy the product. And like all direct-marketing efforts, you'll know if your ad is working almost immediately after the commercial airs.

## PRINCIPLES OF EFFECTIVE TELEVISION ADVERTISING

The principles that apply to television are fundamentally the same as those that apply to other media. Good television commercials should be...

- **Arresting:** If you don't catch your viewers' attention, there's no way you can sell them anything.
- **Direct:** The purpose is to sell your product. To do that effectively, you must show the product, promote its benefits, and provide a good reason to buy it.

- **Benefit oriented:** Mention the features of the product when needed. Always stress the benefits, especially the Unique Selling Proposition or USP.
- **Consistent:** The quality of the commercial's production should reflect the quality of the product itself.
- **Compelling throughout:** Grabbing attention in the beginning is crucial. Letting that interest flag later on is unforgivable.
- **Intentional:** Ultimately, the commercial must sell something. Be sure a purchase is at least implied.

To ensure that you get the biggest bang for your buck, make sure you can answer “yes” to these three vital questions about your product from Entrepreneur.com:

### **The 1, 2, 3, Formula**

1. Can its benefits be demonstrated? Without demonstration, you can't use TV effectively to make a sale. Think about the kinds of products you see in direct-response spots, such as a hair-braiding tool, a children's paint kit, or a “revolutionary” car finish. They lend themselves to effective visual presentation.
2. Does it have mass appeal? When you select your target audience, there should be a high probability that the majority of those people can use your product. Whether you're buying time on cable systems or individual stations, you can save money by purchasing “broad rotators,” which means your spots may run anytime during the entire day, and not only within specific, higher-rated shows.
3. Is it unique or novel? It's best if your product is novel enough that there's little competition for it on the retail level. In fact, once a product is widely available in retail stores, direct-response TV spots stop working.



## What Works

For successful direct-response TV spots, follow these important guidelines, also from Entrepreneur.com:

- ☛ Create 60-second spots for direct sales. While 30-second spots are the norm for most TV advertising, their primary function is lead generation. If that is what your advertising model calls for, use 30-second spots. But if you want to sell directly to viewers, then favor 60-second spots in your testing.
- ☛ A visible call to action. Experts say you should have your toll-free number, and possibly your Web address, onscreen for at least 40 seconds. Some advertisers display this information throughout their spots.
- ☛ Test the magic number: \$19.95. According to several TV advertising gurus, \$19.95 is the most successful price point for direct-response TV ads. But our experience has shown us that all sorts of offers (prices, terms, guarantees, etc.) can work on TV. Start with \$19.95 and test “away from” that number until you find the offer that works best for your product. For expensive products, you should definitely test long-form ads. (The 30-minute infomercial is the standard.)

## MAKING A GREAT COMMERCIAL

Experts say that viewers pay attention to TV marketing in the following order: graphics, headlines, bullets, and text. The headline must be the strong opening to a simple and clear message that stresses benefits. This all has to be done visually. Show rather than tell — and don’t forget that call to action. Television has made the phrase “Call today!” a popular call to action in all advertising.

Remember, a TV commercial has only a few seconds to grab a viewer’s attention. Wise advertisers do that with interesting headlines and marketing messages, supporting those messages with graphics and visuals.

That may sound simple. But the logistics of direct-response TV advertising are somewhat complicated. Lots of issues need to be handled by lots of different people. Some examples are:

- **Concept development**—The style and format of the commercial.
- **Marketing plans** — The goals you have for the ad (the number of sales) and how it fits into your overall multichannel campaign.
- **Creative**—The scripts and marketing messages of your ad. Experienced direct-response copywriters should write these, preferably with experience in writing for TV.
- **Production**—The actual creation of the ad in the studio with cameras, lights, microphones, sets, and so on. This includes post-production work (graphics and editing).
- **Media buying** — Buying airtime on TV stations. You should do your due diligence to find out which stations and times work best for your product. Of course, you have to balance that with what you can afford.
- **Telemarketing and fulfillment management**—Most direct-response TV features an 800 number for customers to call. This usually means hiring a professional telemarketing company. You may also need to contact a fulfillment house to fill your orders.

When beginning, it's a good idea to hire competent service companies to do the production and placement, as well as other technical tasks you aren't already doing yourself. For instance, if you haven't incorporated telemarketing into your marketing mix, the details involved in setting up your own toll-free number may be enough to convince you to stay away from the rest of the process.

## **DIRECT TV AND YOU**

TV may be the perfect venue for selling kitchen gadgets, other time- and effort-saving devices, wealth-building programs, motivational programs, and real estate programs. It's also great for exercise machines and DVDs, as well as offbeat recreational products. These are all examples of what probably comes to mind when you think of TV-based direct marketing. But you can potentially sell any product this way.

TV marketing is visual—you can see the product in action. And this means that the desire to buy is instantly strong in your prospect. The ease of ordering (all you have to do is pick up the phone), as well as a money-back guarantee, further breaks down the prospect's resistance.

If you take the time to understand how it works, it can be a vital component of your multichannel campaign. Indeed, it has the potential to bring in more money to your business than any other channel.

# CHANNELS of PROFIT

## SPECIAL REPORT

### Debunking the Original Idea Myth

By *MaryEllen Tribby*

Well, you are not alone if you think all ideas for products must be original. Many entrepreneurs get caught up in the feeling that they must create something new to be successful.

But very often, being first with a new product is not the best way to get started. In fact, most successful entrepreneurs made their fortunes selling products similar to those others were already offering.

There are techniques for producing great product ideas. And it works for every aspect of your business, from new product ideas to brainstorming your marketing campaigns.

#### The 10 Steps for Producing Profitable Product Ideas

**Step 1 — Identify the problem:** You cannot solve a problem until you know exactly what that problem is. Yet so many entrepreneurs charge full steam ahead without really knowing what they are trying to accomplish.

Don't try to apply a solution before you have taken the time to accurately define the problem. Make a list of the problems your target market is facing. Think about what is keeping them up at night. Now pick the ONE you think you can solve. That's the problem you must address.

**Step 2 — Assemble the pertinent facts:** Professionals in every field know the importance of gathering specific data/facts. A scientist planning experiments checks the abstracts to see what similar experiments have been performed. An author writing a book collects everything he or she can on the subject from newspaper clippings, photos, official records, transcripts of interviews, and magazine articles. A business consultant may spend months researching a company before coming up with a solution to the company's problems.

Build a “swipe” file. This is an organized collection of successful promotions including newspaper and magazine ads, direct mail pieces, and email campaigns.

Constantly study your file. Build simple Excel spreadsheets or use a mind map to pull out solutions to the very problem you are trying to solve for your prospects.

This step increases your familiarity with the background information and gives you a fresh perspective on the problem.

**Step 3 — Gather general knowledge:** This has to do with the expertise you’ve developed in all aspects of your life, from events, people, marketing, technology, management, communications, selling, entrepreneurship, parenting, the Internet, and human psychology.

You will accelerate your own education by becoming a student in the many areas that relate to your business. Subscribe to trade journals that relate to your field. Read books in your field and start a reference library. Attend seminars, conferences, and trade shows. Network with people in your field and exchange information, stories, ideas, and resources.

The majority of SUCCESSFUL entrepreneurs are information junkies. By becoming one, you can learn in a few short weeks what took others 20 or more years to accumulate.

**Step 4 — Look for combinations:** Is there really such a thing as a completely new idea? Many ideas are simply a new combination of existing elements. By looking for combinations, for new relationships between old ideas, you can come up with a fresh approach.

Look for synergistic combinations when you examine the facts. What two things can work together to form a third thing that is a new idea? Take the clock radio for example. It was invented by someone who just took two existing technologies to create a brand-new product. If you have two devices, and each performs a function someone might need, can you link them together to create a new product?

**Step 5 — Sleep on it:** Putting the problem aside for some time can help you renew your idea-producing powers just when you think your creative well has run dry. But this is only after you have gathered all the information you possibly can and you have gone over that information again and again.

Once you have come to the point where you are so punch drunk from hashing the ideas over and over — it's time to take a break. Put the problem aside and let your unconscious mind take over.

The solution may come to you in the shower, at your kid's soccer game, or while you are exercising. Even if not, when you return to your problem, you will find you can attack it from a fresh perspective.

**Step 6 — Use a checklist:** Checklists can be used to stimulate creative thinking and as a starting point for new ideas. Many manufacturers, consultants, and trade associations publish checklists you can use in your own work. But the best checklists are the ones you create yourself, because they are tailored to the problems that come up in your own day-to-day life.

**Step 7 — Get feedback:** Some entrepreneurs prefer to work alone, but feedback is critical. Getting someone else's opinion of your work can help you focus your thinking and produce ideas you hadn't thought of yet.

Take the feedback for what it's worth. If you feel you are right and the feedback is way off base — ignore it. However, if 9 out the 10 people you ask have the same notes on your work so far, it will behoove you to examine why.

**Step 8 — Team up:** Many people think more creatively when working in groups but tend to involve too many people.

It is recommended that three to 10 people are the ideal size for an entrepreneurial team. With more, you are in danger of ending up with a committee that spins its wheels and accomplishes nothing. The people you team up with should have skills AND thought processes that balance and complement your own.

**Step 9 — Give new ideas a chance:** The creative process is a TWO-stage process. The first is an idea-producing stage, when ideas flow freely. The second stage is the critical editing stage, when you hold each idea up to the light and see how it stands.

Many of us make the mistake of mixing the two stages together. Don't criticize during the first stage. Instead, think about how the idea can become better and easier.

**Step 10 — Define success:** Always set metrics. Define what is the least number of sales you would accept for this product to be a success. Also define your optimal number of sales as well as the number of sales that would be beyond your wildest dreams.

This tells you if the product is viable. Can you hit the minimum number of sales? If not, perhaps the idea is not viable as it is and you need to go through your steps one more time to make sure you have solved the problem you set out to solve.

In the end, the marketplace will determine if your product is one it wants. And if you have completed the 10 steps above, you will be positioned better than 99% of your competition.