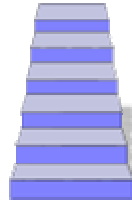


SIX STEP MARKETING



Step 1 of Marketing: The Mailing List:

A mailing list is essential to your business success. If you were selling air conditioners you wouldn't be sending out offers to people in Alaska? Would you?

Well as silly as that may sound many people will make this mistake. You cannot just pick a random resident list of Zip codes near your office. What you need to do is consider who your ideal customer would be and then find a way to target your message directly to them.

With direct mail, you're given the opportunity to use guided missile accuracy to pick your targets and zero in with your message. And today, sorry to say there is no such thing as privacy any more. Big brother knows all. So if you describe your ideal customer is a man aged 45-55, who drives a \$45,000 car, lives in a \$125,000 condo, who watches pro golf, belongs to a country club, and dines out 4 times a week, you can get that list. It might not be a big list, but it is available. Now you probably don't need to be as specific as this, but you can.

THERE ARE 3 TYPES OF LISTS!

LIST 1

The first kind of list is simply compiled information, taken from directories, phone books, motor vehicle records, etc. Probably the most common way of using a compiled list is to buy a geographic list, like all the residents around a 5-mile radius of your office. Usually this will not yield the greatest results. Another way is to segment a compiled list is by demographics (that's the fancy term for age, sex, income, whatever). This is a little better way to target. For example, you could specify you only want females, age 50-65, who earn \$75k and above.

There is also what some people call a *Geo-Demo Listing*. You can pick certain geographic areas and certain demographic characteristics that you desire. The more you know about your potential customers the better it becomes to target them

LIST 2

The second type (and much more valuable) is called a direct response list. These are lists of people who have bought or responded to direct marketing. In some cases it will make more sense for you to buy a mail order list. The people on this list have bought something from direct response methods (mail, print ads, infomercials, etc.). This kind of list is the most specific you can get. To get an idea of what I'm talking about go down to your local library and ask the librarian for the SRDS Direct Mail List Source Directory (The Standard Rate and Data Services is usually in the reference section). Or you can get more information at: <http://www.srds.com>.

The SRDS is a huge, 4" thick reference book with nearly every public list available for rental -- it's the bible for direct mailers. Just glancing through this book you can find lists of buyers of almost anything that has some affinity to what you're selling. The best part about these lists is that you know these people have a high interest in whatever they bought. So if you're an accountant, you could rent a list of people who bought tax-planning information by mail. Or maybe you're a dentist, what better list could you find for a teeth whitening offer than someone who just bought a tooth whitening product from an infomercial? What you want is a "starving crowd," somebody who has expressed an interest in looking better. Somebody who has paid money. And that's exactly who you can find using direct response lists.

LIST 3

For most people a good starting point is to comb through your customer records to find common characteristics, like region, age, etc. Or if you sell business-to-business then you should try to look for common industries or SIC (Standard Industrial Classification) codes that a majority of your business comes from. Your goal is try to "clone" your best customers! But there's one more list that almost everyone forgets. It's literally a gold mine lying at your feet. And that's your "In House List."

If you have not put all your customer's names and addresses into a database you're overlooking an incredible source of added business. This list will be the most powerful list and responsive list you can use for any offers because these people already trust you and like doing business with you. This is critically important. Especially if you're in a business that typically doesn't keep their customer names and addresses because you're missing an incredible amount of money. Maybe you're a retailer or a restaurant owner -- make it a habit for your staff to collect customer names and make notes about them.

Step 2 of Marketing: If you don't get your letter open, you never get it read!

The first thing you need to do is to get your letter delivered. I know this sounds silly, but it's more difficult than you think. Many consultants will tell you to save money by using 'bulk-mail' postage or as it's now called 'standard rate'. Bulk rate is another name for dump rate. After you get your targeted mailing list together, don't blow it by putting on flags that say throw me away. In fact, the Post Office freely admits that 20%-35% of all bulk mail gets thrown out for various reasons. After the mail is delivered, your mail may then be trashed. Think of yourself. When you sort your own mail how long does it take to toss junk mail? If you sort your mail over the trash can so do your prospects. If you recognize it as junk mail it may not even get opened. So don't be cheap and bulk mail it. Remember if it looks like junk mail it's likely to get dumped. So in order to get your mailings respected (by the post office and your recipient) all your mailings should go out first class and use a real "live" stamp. That also means don't use mailing labels or even worse than that, is a "postage indicia". All these smack of "junk mail". The closer you can make your envelope look like personal correspondence the better. That means you only have only a split-second for them to decide if they'll open your letter or dump your bulk mail.

Step 3 of Marketing: A letter means Take some action

Brochures and self-mailers do not work. What do you do when you get a brochure in the mail? Most people will either toss it out or file it away. Hardly anyone gives it more than just a casual glance on the way to the circular file. What you need is an action device, and that's what a letter will give you. You need to take advantage of the greatest benefit direct mail has for you - personalized, intimate conversations. A letter allows you to "talk" one-on-one to your prospect. That means you should use "I" and "me" and "you" freely in your letter. Don't use the corporate sounding "we". Remember just one person is reading your letter at once. So don't write in the plural, even if your mailing is going out to thousands and thousands of people. Just sit down and write the same way you'd talk to a friend over dinner explaining the advantages and benefits of the product or service you're offering

Start your letter with a compelling, benefit-driven headline. Prospects will decide to continue reading by the headline. If your headline fails to capture their attention and keep them engaged, your letter will quickly end up in the trash. Experiment with many headlines. Try one and track its results. Then try others. One headline can pull as much as 50 to 75% more response for you. The most common mistake you can make is to put your company name, big and bold on top of the letter. This is the worst thing you can possibly do. You see, every person is concerned with one thing: *what's in it for me? Your company name doesn't fill a need or want, your product or service does. Put your company name at the bottom of the page where it belongs.

Step 4 of Marketing: No Offer! No Response!

Without an offer, your letter is wasted. It is not enough just to send out a mailing-hoping people will call if they're interested. You must ask them to take action now, today. Call now! Rush right down! Pick up that phone and call! Limited time. Limited offer. Expires! All of these require your potential customer to take some form of action. The best type of offer is something that is non-threatening and completely irresistible. If you can offer anything for free this works best. Such as a free educational report, tape, seminar, consultation, service, etc. Try to come up with such an irresistible offer that anyone would be foolish not to take advantage of it. Plus by making a compelling offer you can then keep track of how many people responded to your mailing.

Step 5 of Marketing: Multi Mailings

I have told countless number of people, "If you can't afford to do multi mailings, don't waste your money on doing one." Why? Because your serve or business is fulfilling a need or want. You can't possible reach every person in one mailing that will want or needs your offer. How many times have you found yourself needing or wanting something, a new car, washer, stereo, digital camera, whatever and suddenly you begin noticing these items appearing in magazines, TV, newspapers or direct mail pieces you receive. They have always been there; you just didn't have a need for them.

If constant advertising doesn't work, why then do major companies run ads all the time? Coke is it. Microsoft, Bayer Aspirin, GMC, Exxon, why, because when you need them they want to be there in front of you. On a simpler scale if you just had a hair cut no direct mail piece would

interest you, no matter the offer. But six weeks from now that offer may sound enticing. If you have a washer that works fine, you don't have a need and any offer would be ignored. But let that washer break down and you're looking. Your prospect customers are the same way. To overcome this, you've got to have a marketing program that provides multi-exposures. There is a constantly developing flow of prospects out there that are developing needs and want at different intervals. This way you can be there when these needs and wants present themselves. No offer works until you find that person or persons that have a want or need to be filled.

So the question is, when will your service or product be needed and will you be there when it is? Only multi-mailing programs can increase the odds for you. Be there when you're needed!

Step 6 of Marketing: Constant Testing

With direct mail you have the ability to test any offer on a small group before mailing on a massive scale. Even if you think you have the greatest idea in the world for a letter, you can still test it to a few names, instead of mailing to 50,000 people. Then if you get a good response you can move on to mail a higher number of pieces because with a high probability you know it will work again.

A reasonable test number is about 1500 to 2000 names, and that would depend on the size of your list. I have known some companies that have used as little as 150 for their test. Testing with that few of a number won't get a statistically valid response. However, you will get an indication of the letter's success. Mailing to this few of listings and then mailing to tens of thousands could cost you thousands of dollars with little or no response. It's very important to develop that piece of mailing that produces response before mailing thousands of pieces. Once you've created a letter that works well this is called your "base" and now you can use testing to see if you can do better.

Here's how:

On your next mailing you change only one element like the headline, offer, pricing, etc. and then you split your list in half. One half gets letter #1 (your base) and the other half gets letter #2 (your test), then see which one does better. And I guarantee you will see changes in results once you start testing. However, in order to accurately measure your test you've got to record the results.

Mr. John Wanamaker said that 50% of their advertising was being wasted -- but they didn't know which 50%.

But now each marketing (letter) campaign you send out provides you with the ability to determine your profit from each campaign. You know instantly what promotion is working and which isn't. Unlike many other forms of advertising you do to just get your "name out", direct mail gives you an easy way to track your returns.

Subtracting your expenses (cost of postage, printing, and list rental) from marketing results to determine your profit from each marketing program. Keeping track of every responding prospect is key to developing successful marketing programs.

That's why you'll want to assign unique priority codes, extension numbers or fake employee names for each promotion. Each letter you send should have a unique code. Then you will be able to credit that letter with the inquiry or sale. So you know what works and what does not. When prospects call in your staff should be trained to ask for the priority code. Example: T10201 would mean Test One in February 2001. Or ask for Mr. Testonie - meaning Test one. If your business is a face-to-face operation, require them to bring the letter in with them in order to receive the discount or special offer.

Tracking is the secret to successful direct marketing. By testing your marketing pieces you will discover exactly where your business is coming from and what type of promotions those people will respond to. Direct mail can produce immediate, measurable results for you.